- Babbitt: So he's got the right ideas, but can he run the country?
- The case against Judge Wapner

The Washington Monthly

FEBRUARY 1988/$3.00

THE REAL GARY HART SCANDAL

Forget Donna Rice

Meet Billy Broadhurst

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"All I ever needed to know I learned in kindergarten. Don't hit people. Clean up your own mess."

Robert Fulghum, Sept. 17, 1986

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LETTERS

Hell on wheels

In his November review of Scott Bottles's *Los Angeles and the Automobile*, Timothy Noah (and I assume Mr. Bottles) never mentions the real reason for the disappearance of the electrified transit system of the greater Los Angeles area. In the late 1930s, General Motors and Standard Oil formed a transit company of their own for the purpose of burying the existing Pacific Electric System. The new "transit company" then proceeded to replace the 1,100-mile electric transit system with diesel buses that had to share the road with automobiles. Logically, those who could afford to chose private auto over diesel bus. The General Motors-Standard Oil consortium had a nifty no-lose situation, however, since commuters were going to be supporting the auto and oil industries whether they chose to drive or take the bus. In fact, in 1949 a Chicago federal jury convicted GM of having criminally conspired with Standard Oil of California, Firestone Tire, and others to replace electric transit with gas- or diesel-powered buses and to monopolize the sale of buses and related products to local transportation companies throughout the country.

The implication of the review (and the book) in question is that Angelenos drive so much because they love the automobile. While this is certainly true, the root of the passion for the private car is corporate piggishness. We have been taught to love the car, and now we are both figuratively and literally dying by the car. From fouling the air to drowning out our conversations to littering the land to weighing down our economy to being responsible for more deaths than all our wars put together, the automobile is a blight on our society.

DAVID MAHLER
Seattle, Washington

Sneering at windmills

In your December issue ["Tilting at Windmills"] you mention the fact that more than four million Social Security recipients were paid the wrong amount between 1981 and 1986. "Underpayments averaged $591, overpayments $1,069."

Do you mean to imply that there was intentional overpayment? The raw figures show nothing. Assuming a perfectly random distribution of errors, overpayments will always exceed underpayments because no underpayment can exceed the amount due, whereas there is no limit on the overpayments.

My windmill: the illusory statistic.

GEORGE GIBSON
Upper Montclair, New Jersey

Charles Peters replies:

Our concern was not that the overpayments exceeded the underpayments, but that together they represented far too many mistakes by the Social Security bureauracy.

The Reverend Joe Biden

I enjoyed the item in the November "Tilting at Windmills" concerning Benjamin Franklin's recollections of the Presbyterian divine who borrowed sermons.

I thought it delightful in the wake of the Biden scandal to be reminded that plagiarism, both homiletical and political, is ageless. I remembered several serious discussions my colleagues and I held when we were in seminary about borrowing ideas from preachers long dead.

We broke into several camps. There were those who believed that the last original thought in religion had been thought long ago, and all else were simply variations on a theme.

There were also those, such as myself, who wrote our own stuff. We found someone with the same idea, quoted them for authority's sake, and got on with the business of finishing school. In the parish now, I cite when borrowing, perhaps only mentioning, "I've read this somewhere" or "in the course of my research," and get on with trying to elucidate. Biden would make a fine Presbyterian minister. For the reality is, most ideas in sermons are borrowed and propounded with great force.

For Joe Biden, et al. we could authorize their using great speeches of the past. For current divines, it would be better to memorize some great sermons and deliver them with force and elocution. It would beat the hell out of the tripe that now passes for preaching.

JOSEPH CEJKA
Lake Havasu City, Arizona

YOU CAN HELP

Sometimes it's easy to forget how much *The Washington Monthly* depends on its readers. Our Memos of the Month come almost entirely from you. Clippings from your local papers inspire many of the items in Tidbits and Outrages and Tilting at Windmills. Readers help us in countless other ways, calling with tips for stories, giving their friends subscriptions, or just making sure we're on the shelves of their local newsstands, bookstores, and libraries.

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Tobacco Torts

I have two questions about Paul Glastris's attack on the California "Napkin Bill" ["Frank Fat's Napkin," December], which he condemns because it deprives smokers of the right to blame the tobacco industry and collect money for their misfortune.

First, why are these smokers and their families victims? Granted the tobacco companies have known longer and better about the dangers of smoking, but that's a quibble; the "victims" have known too. It's a bad mistake to lump together those who are unfortunate by their own folly and those who really are victims. In doing so we encourage irresponsibility, we dilute our sympathy for real victims, and we sap our resources for helping them.

Second, why defend abuses to the tort litigation system (which in other contexts you rightly attack) just because you dislike tobacco heavies who might suffer if such abuses continue? As Glastris admits, tobacco litigation is a very long shot; that's because it depends on novel theories of legal liability which would vastly extend the tort law's scope and abusiveness.

It is true that the threat of tort liability is about the only discipline on American industry in this age of regulatory indolence. That's probably why Ralph Nader supports the trial lawyers in their self-centered efforts to expand litigation. But the public disapproval of lawyers reflects a growing consensus that the social costs of litigating everything now far outweigh the benefits.

I don't know whether or not the "Napkin Bill" was a good one, but to attack it for stopping tobacco litigation seems to me short-sighted and inconsistent with the views you have otherwise expressed so admirably.

KEITH ROBERTS
Reutherford, New Jersey

Paul Glastris replies:

The answer to Mr. Roberts's first question is that tobacco is an addictive drug. Millions of Americans got hooked on it before the era of government mandated health warnings. When they try to quit, every cell in their bodies demands nicotine. To imply that those who cannot overcome the drug are "unfortunate by their own folly" is a cruel misunderstanding of the nature of addiction.

As to the second question, I simply don't agree that suing tobacco companies is an abuse of the tort system. A major reason such suits are long shots is that tobacco company lawyers cook up their own "novel" defenses, such as their crafty courtroom attacks on the scientific links between cigarettes and fatal diseases. Abuses of the court there certainly are: dockets are crammed, for instance, with auto accident cases, many of them phony. So it's worth mentioning that part of the deal behind the "Napkin Bill" was an agreement, pushed by the trial lawyers and accepted by the legislature, not to pursue an obvious solution: no-fault insurance. A less lawyer-intensive alternative to civil court that would still compensate tobacco victims is also conceivable. But Mr. Roberts's comment about "regulatory in-

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In the current issue of Foreign Affairs.

LUGAR

A Republican Looks at Foreign Policy

"The Democratic Party has had great difficulty in reconciling its recent noninterventionist goal—'no more Vietnams'—with the need for a strong, confident and globally engaged United States."

—Senator Richard G. Lugar

SCHLESINGER

A Democrat Looks at Foreign Policy

"We have had seven years of a unilateralist, militarized, ideological, messianic foreign policy, and look where it has got us."

—Arthur Schlesinger, Jr.

SORENSEN

The President and the Secretary of State

"The Iran-contra hearings...revealed a pattern of White House disdain for the Department of State so pervasive that Secretary George Shultz's own blunt testimony, while preserving his personal reputation, confirmed his department's emasculation."

—Theodore C. Sorensen

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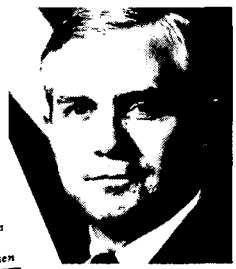

GATES

The CIA and American Foreign Policy

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dolence" suggests he is savvy enough to recognize that such an alternative system won't come about until the tobacco companies start losing liability cases in court.

Post script

I'd feel a lot better about the 25 cent stamp ["The Twenty-five Cent Stamp," Marianne Szegedy-Mazak, November] if they let Frederick Douglass stay on it. But something tells me the Postal Service will find a way to avoid having the great abolitionist as a common adornment of our first-class mail.

HAL RIEDL
Baltimore, Maryland

The following was printed in the *Baltimore Sun*, date unknown, and shows the only time the postal rates were reduced in history (see 1917-1919).

C. ROSENDALE
Stevensville, Maryland

Postal rates

Nov. 3, 1917	3 cents
July 1, 1919	2 cents
July 6, 1932	3 cents
Aug. 1, 1958	4 cents
Jan. 7, 1963	5 cents
Jan 7, 1968	6 cents
May 16, 1971	8 cents
March 2, 1974	10 cents
Dec. 11, 1975	13 cents
May 29, 1978	15 cents
March 22, 1981	18 cents
Nov. 1, 1981	20 cents

The voter and the egg

Peter H. Schuck's article ["What Went Wrong With the Voting Rights Act," November] is important because it examines several aspects of the act that deserve more debate. Many of his conclusions are hard to argue with on a theoretical level. I'll accept that packing minorities into a few districts reduces their influence in the much larger number of districts controlled by whites.

My experience observing the Voting Rights Act in action counters the theoretical conclusions. As a reporter covering ten sessions of the Georgia General Assembly, I recall little difference in the voting patterns of a white state representative with a 10 percent black district and one with a 40 percent black district. Only when the Martin Luther King Holiday bill came up for a vote would three or four white lawmakers from over 40 percent black districts vote with the black caucus. Otherwise, they commonly voted with what were termed the "woolhats" against welfare increases and other bills that were antipoor, if not antiblack.

Blacks are rightfully, I think, skeptical of arguments that, however logical, conclude with them standing, hat in hand, hoping for favors from white politicians. Electing a black gets them a seat at the table and through seniority that seat may end up behind a committee chairman's nameplate.

The one time black voters are truly appreciated by white Democrats is during reapportionment. Black populations are pie-sliced to insure the safety of white incumbents. Dividing blacks this way protects against Republican challenges in urban areas and prevents the black population from reaching a point in any district where a white incumbent Democrat might be challenged within his own primary.

My county had a black population of over 40 percent for most of this century and yet until very recently had never elected a black to any of the various city councils or to the county commission. That changed only because of the stringent interpretation of the law by the Justice Department.

On a national level, the power of the black vote would increase dramatically if anyone could ever imagine a significant number of blacks voting Republican. But that's the chicken-and-egg problem. First, there has to be a national Republican willing and able to appeal to the black voter.

RICHARD A. MOORE
Alexandria, Virginia

In praise of yuppies

Mr. Garrett Epps, in attacking the cover of your August issue as perpetuating a stereotype of fat people, continues to perpetuate one about yuppies, people who in my experience are hardworking and who spend their money on quality products.

Unlike race and religion, weight can, for the most part, be controlled by an individual through discipline and exercise. There are numerous scientific studies which document the benefits of exercise and weight control. "Body pride" is not a snobbery as Mr. Epps states. He has a point when he refers to "chronic obesity," but most overweight individuals do not fall into that category.

Mr. Epps heaps more scorn on yuppies than the *Monthly* ever did on fat people. If fat people have feelings, so do the yuppies against whom he rails. But disciplined yuppies have no choice but to work out and remain healthy.

WILLIAM ALLEN
Blade Valley, North Carolina

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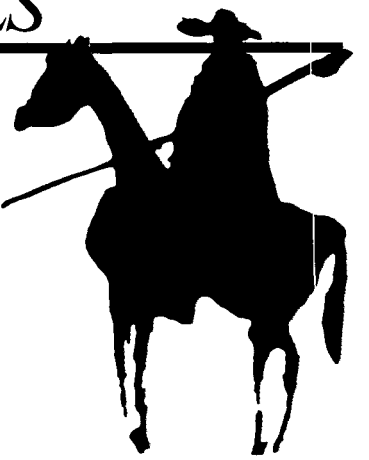
TILTING AT WINDMILLS



The president has a $149 million jet aircraft that will serve as his command post in a nuclear war. It is designed to fly above the holocaust so that the president and his top commanders will be sure to survive a nuclear attack. While on a recent test flight, the plane was forced to return to its base. The hazard that kept it from remaining airborne was geese that were sucked into the plane's engines.

Although this event may have inspired anxiety at the White House and the Pentagon, I take great comfort in it. I have always thought that next to the possibility of some fool pushing the wrong button accidently or some similar foul-up, the greatest danger of nuclear war lay in our leaders thinking they could survive it. Now they know that even if they escape the blasts below, they still may be done in by a gaggle of geese. . . .

American Brands has one subsidiary, the American Tobacco Company, that sells cigarettes. It has another, Franklin Life Insurance Company, that gives discounts to nonsmokers. . . .

New York City's population has declined since the 1940s, but the same cannot be said of the number of its public employees. It has increased and now stands at a record 447,000.

By the way, did you know that the United States, with one government employee for every 15 citizens, now has as many government workers per capita as the Soviet Union?. . .

Our brethren at the bar, as this column has often noted, include in their number some of the greatest scoundrels to be found outside the walls of penal institutions. The files of the Client's Security Fund of New York, which compensates victims of legal malfeasance, include the following examples:

A Nassau County lawyer who took $167,000 in pension money from a widow. An attorney from upstate who stole $71,000 from an elderly woman and made off with her piano for good measure. And a father-and-son firm in Rockland County that took $75,000 from an orphaned boy and $150,000 from a fund that was to pay for the training of seeing-eye dogs.

My favorite is the Otsego County lawyer who created a fictitious heiress to inherit his client's estate. To establish her existence, according to *The New York Times*, he "dressed up as a woman and checked into the Best Western

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motel in Little Falls, New York, under her name."...

Speaking of New York lawyers, it used to be that the state's classier firms avoided matrimonial law. Divorce cases, they said, were "messy," the implication being clear that such matters were beneath their dignity. But suddenly we find that the most distinguished firms are displaying a keen interest in matrimonial law.

Why have they abandoned their fastidiousness? Why does dignity no longer matter? Well, it seems that in 1980 New York law changed so that the breakup of a wealthy couple was, in the words of a Manhattan lawyer, "transformed into something like the breakup of a business partnership, requiring expertise in real estate, tax and corporate law and commanding six-figure fees." In the case of *Karp v. Karp*, for example, the legal fees amounted to more than $1 million....

Just in case you thought it couldn't be done, my friend Donovan McClure has come up with a reason to vote for Gary Hart: if Hart's no-frills campaign wins, it will be a devastating blow to the vast industry of pollsters, consultants, and advertising agencies, raising money for which has become the principal occupation of modern candidates, diverting them from the issues and awarding victory all too often to those who can best afford it.

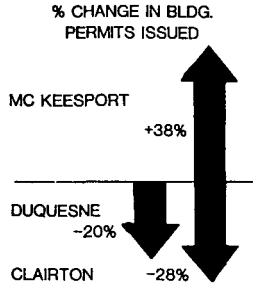
There is, I must concede grudgingly because I've come to so dislike his arrogance, another reason to vote for Hart—or I should say Hart or Gore. Their careers and interests have involved them much more substantially in national security issues than have those of the other Democratic candidates. On issues of war and peace, they are simply better prepared.

Although I am convinced that Bruce Babbitt must show evidence of giving more thought to these security issues as the campaign progresses, I continue to think that he is the best candidate overall (see David Osborne's article, page 12). I hope he doesn't give up even if he is badly beaten in the early primaries. Lack of money may compel him to run a campaign that has even fewer frills than Hart's, but he should hang in there because the voters could awaken to his merit at any time....

For all those internists out there who are suffering from the winter blahs and would like to get away but don't want to pay for their vacation, I have glad tidings. There's still time to sign up for Advances in Internal Medicine and Cross Country Skiing. It will be held at that great center of medical learning, Yellowstone Park, from February 21 through 27. The days are free for skiing. All but one of the "meetings," the only part of the program that threatens to distract the mind with professional concerns, are scheduled for 4:00 or 4:30 p.m. and offer the solace of "hot drinks and snacks." Best of all, the vacation is

If It Works in McKeesport, Pa.
Why Can't It Work in Your Town?

In 1980, McKeesport raised its property tax rate on land and reduced it on buildings. The new construction in the 3-year period was up 38%, while in the neighboring and comparable steel towns of Duquesne and Clairton, new construction was off 20% and 28% (see diagram). Duquesne has since switched some tax off buildings and onto land, with good result.



It shouldn't surprise that down-taxing buildings encourages new construction, and so does up-taxing land.

What would happen if many cities started to shift a lot of tax off buildings (also off wages and retail sales) onto land values? Wouldn't our economy take a quantum leap upward, dispelling unemployment and poverty? Write today for more information —

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tax deductible; it's all on the rest of us....

The Whitby is going co-op. For most people the question will be "so what?" But for anyone who has been involved at the more impecunious levels of the arts in New York, as I was in the late forties and early fifties, it is terrible news. The Whitby was an apartment hotel on West 45th street that musicians, dancers, and actors could afford. Now it will become expensive, like most housing in Manhattan.

I have a theory that the greed of the seventies and eighties had its roots in the disappearance of affordable housing in Manhattan. All those bright writers and media people who mold the opinions of the rest of us had to make a lot of money just to pay the rent. So their values had to change to justify their greed, and they proceeded to brainwash the rest of the country with their new morality.

The only New Yorkers who escaped the new passion for money were those who had rent-controlled apartments. Unfortunately, that involved them in another sin—the defense of rent controls, the persistence of which has caused the short supply of housing that makes other apartments so dear....

As they learned what their brokers had done to them on October 19, thousands of small investors also found out what a big favor the Rehnquist court had done for them last June when it ruled that the arbitration clause in forms they signed when they opened their brokerage accounts kept them from suing the Wall Street firms that had treated them so shabbily. The arbitration process provided for by those forms is, in the words of *Money* magazine, "stacked against the investor." He doesn't have the same rights to discover facts that he would have in court, sometimes even being unable to compel the firms to produce relevant documents. The supposedly impartial members of the arbitration panel can include Wall Street spouses or retired brokerage industry officials. They seldom give the victim the full amount of his loss, and, according to *Money*, "almost never add punitive damages."...

Wilmer, Cutler, and Pickering has invested $750,000 worth of its time in the defense of Theodore Robert Bundy. Why? You don't have to be very smart to realize that Bundy, who specialized in killing young girls, is a monster and guilty beyond a shadow of doubt. Surely there must be thousands or at least hundreds of possibly innocent people who are caught in our criminal justice system without adequate representation. Why not help them instead of Bundy?...

Bureaucracy has been a major concern of this magazine since we began publishing 19 years ago. There are two reasons for this concern. One is that bureaucratic ineptitude can cost money. More importantly, it can hurt human beings.

An example of the former comes from a recent General Accounting Office report that reveals that the government pays about one-fourth of its bills too early and one-fourth too late, thereby forfeiting hundreds of millions of dollars in either interest income or interest penalties.

As for the human impact, consider the story of Billy and Lilly Ross, a young couple living in Ohley, West Virginia. Billy had a job, but it paid so little that he, his wife, and ailing young son qualified for food stamps. Then it turned out that what he thought was an ear infection was in fact inoperable cancer, requiring chemotherapy and radiation. He had to quit work early last fall.

What did the government do to help this man who was down on his luck? When he applied for welfare in October, his papers were lost. His sick child was rejected for medical help. His food stamps were revoked. Four caseworkers ignored his pleas for help. Last month Martha Hodel of Associated Press reported his story, and finally the caseworkers responded—which helps explain why we hope more of the press will join us in covering the bureaucracy....

The 65-mile-per-hour speed limit does not seem to be a great winner. In states that have adopted it, traffic fatalities have increased by more than 50 percent. The problem is that under the old limit, everyone was really going 60, so that the new

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limit is viewed as a license to do 70, a point at which a good many cars become difficult to control and a good many drivers discover that their skills and reaction time have become inadequate as their vehicle plows into another or sails off the road and into a tree....

Have your ears been assaulted by those new leaf blowers? Unfortunately mine have, and I can tell you they are a real menace. A few enlightened city councils have banned them, and one splendid soul, John Miller of Palo Alto, is fighting for an initiative that would outlaw them throughout California....

Government is organized to meet problems of the past. A position or an office or a department that was established to deal with a problem—e.g., a shortage of energy—may find that the problem no longer exists. But the old job and institutional framework persists. New problems that don't fit tend to be ignored. That is why the Congress has such a hard time getting the military services to deal with the problem of terrorism, an effective response to which would cut across the old bureaucratic lines. It is also why the State Department should be congratulated for rising above these tendencies to deal with a new environmental problem through an international protocol to protect the earth's ozone shield that it negotiated last fall....

If an individual has been convicted of smuggling dope, the Bureau of Customs wants that fact stamped on his passport as a warning to customs agents to give his luggage special attention. But the State Department refuses, saying the stamping might interfere with the "integrity of the document." This foot-dragging negativism in the face of a new and good idea is, I fear, far more typical of State's bureaucracy than the laudable response to the ozone problem....

"Senator, we'd love to have you speak at our convention in Honolulu. Nothing you have to prepare, of course, I'm sure our members will be grateful for just a few off-the-cuff remarks and the chance to get to know you informally. There'll be an honorarium of $2,000 [the legal limit], and we'll take care of all your travel expenses, and Mrs. Senator's—what a lovely lady—as well. A limousine will be at your disposal throughout your stay and another will take care of your transportation to and from the airport in Washington."

This, as you have probably guessed, is a typical lobbyist offering a subtle bribe to a typical senator. Among the organizations that indulge in this practice and the honoraria they paid last year are the National Association of Broadcasters ($96,000), the Tobacco Institute ($75,000), the American Trucking Association ($85,750), and Paine Webber ($122,200). These figures do not include the amounts these organizations shelled out for expenses, which were often more than the honorarium....

Did you think the tax return law of 1986 was going to simplify the preparation of your returns? That's not what your accountant thinks. Under the new law "the amount of information needed now to prepare a tax return is shocking," Roxanne Coady, national director of taxation at the accounting firm of Seidman and Seidman told *The Wall Street Jounal*. The *Journal* goes on to report that accountants say they will spend 20 to 50 percent more time preparing 1987 returns than they've spent in previous years.

Accountants, like other professionals, are highly skilled at finding excuses to run the meter. But the general consensus of tax experts seems to be that the new law has made things simple for lower-income people but more complex for those in the middle brackets and above who don't use the standard deduction. The rich are going to save plenty, but it may be that some people in the middle will end up paying their accountant whatever savings they were supposed to realize from the reforms....

If I were black, the most maddening of the prejudices I would have to face would be the assumption that I am stupid. Yet this is exactly what many whites think. The problem is that they don't know black people or that they assume that the bad attitudes and values that they see in some blacks, especially in the ghetto, are caused by intellectual deficiencies. At

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least one group of whites should know better—the sports fans. Any student of post-game interviews has to concede that the blacks are just as insightful as the whites. And they are not a group of elite blacks specially selected to do well against average whites. Both the whites and blacks are interviewed because of their athletic accomplishments. As for intelligence, the selection of each group is equally random, meaning that comparing the two is a valid exercise. . . .

Speaking of sports, there has just been a change in the baseball rules that has to be welcomed by every boy whose faith in his power of observation was shaken by the strikes that were called balls by the umpire. Having asked your father what a strike was and being told it was a pitch that crossed the plate between the batter's knees and armpits, you would then see every pitch above the belt buckle be called a ball. Were you blind or were the umpires determined to undermine your respect for the rule of law? Either way it was not good. So I am happy to report that the strike zone is now officially what it always seemed to be in fact. . . .

One of the more fascinating developments in American culture in my lifetime has been that the average guy has stopped identifying with other average guys, as he did when I was growing up. Instead, by the eighties, he was watching "Lifestyles of the Rich and Famous," "Dallas," "Dynasty," and now "L.A. Law," identifying with those who lead glitzier lives than he does.

When did the change begin? I think it was the late forties, and I offer the following evidence from the works of Rodgers and Hammerstein. In the early forties they had written two musicals, *Oklahoma* and *Carousel*, in which the hero was an an average guy. But by 1949, with *South Pacific*, he was a wealthy French planter. In the fifties, in *The Sound of Music*, he was a baron, and you don't have to guess what he was in *The King and I*. . . .

Evidence of the extent to which Americans are conned by credentials was furnished by the introduction given the soprano, Kathleen Battle, at the beginning of a recent televised concert with the New York Philharmonic. The announcer listed the degrees she had been awarded. What do they have to do with her ability to sing?. . . .

Front porches and town squares are coming back, according to a recent article in *The New York Times*. I hope the *Times* is right. Having grown up in a town where almost every house had a front porch, I know how they encouraged neighborliness. People talked with one another instead of watching television.

We didn't have a town square in Charleston, West Virginia, but in my travels I have seen and envied hundreds of them, most of all those in Latin countries, where the *paseo* (nightly walks around the square) brings the community together and provides the young with an easy way to flirt.

The square and the porch can help restore humanity to our towns and cities, which is why I'm in favor of both. But I should warn of one hazard to the one I know best, the front porch.

The neighborhood bore might hesitate to knock on your front door and invite himself in, but if you're sitting on the porch you can be sure that he will interpret the slightest acknowledgement of his wave as a warm invitation to join you on the porch, where he can be counted on to studiously ignore the yawns that strained courtesy can only half suppress. My father became expert at detecting the first faint sound of the bore's approaching footsteps, dashing inside if there was still time, or slumping in his wicker chair, trying to disappear below the porch railing.

But today, as I sit stupefied by a typical evening of television, I realize that the bore was no worse and that, unlike the oversimplified characters that dominate the tube, he and the other neighbors who joined us on the porch were real human beings with problems and experiences to tell us about, people from whom I learned about life, not the imitations of it that appear on the screen. And the bore was more than made up for by the other guests, who were usually interesting or entertaining or both. . . .

—*Charles Peters*

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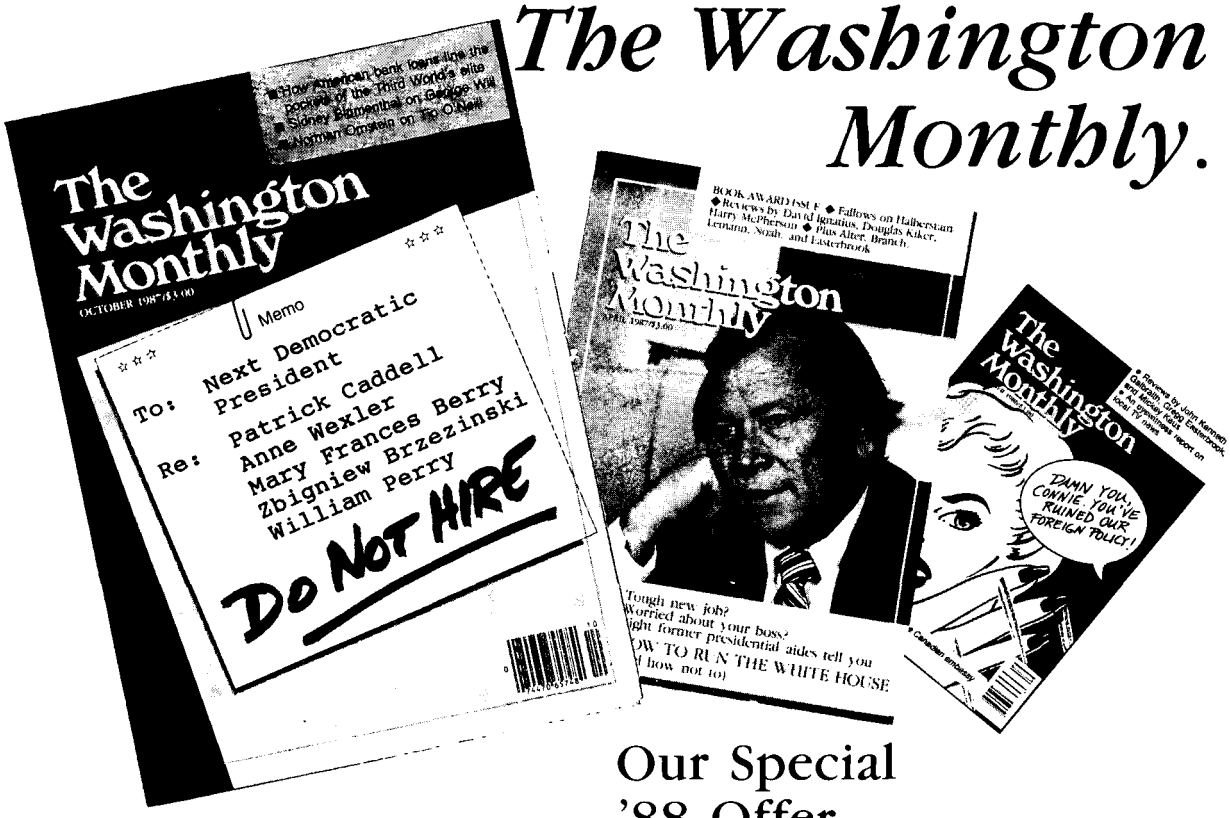

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The Poker Player

As a governor, Bruce Babbitt was not only smart, he was effective

by David Osborne

Bruce Babbitt has made his name nationally with a series of unique and politically risky stands on issues. But in Arizona where he was governor for nine years, he is known for making such ideas reality. Because he has trouble communicating on television, however, Babbitt has been unable to project his greatest asset: his capacity to lead in office.

In Arizona, the name Bruce Babbitt is virtually synonymous with the word leadership. A look at Babbitt's years as governor tells a remarkable—and remarkably unknown—story. In the most conservative state in the union, in the face of a Republican legislature and a fiercely anti-government business community, Bruce Babbitt transformed the very nature of the governorship. In the process, he forced Arizona to come to grips with the most basic issues clouding its future: its fragile environment, its substandard education system, and its inadequate social services.

To understand the Babbitt story, one must understand the context. When Babbitt assumed office in 1978, Arizona still embraced the frontier ethos in which the old Arizona had taken such pride. Arizona was the last of the contiguous 48 states to join the union, in 1912. By 1940 it had only 500,000 people, spread out in small, desert towns and over vast Indian reservations. But World War II brought military bases and defense plants, and the postwar boom brought air conditioning and air travel. Defense contractors and aerospace and electronics companies poured in, bringing an army of young engineers and technicians with their wives and their children. With their crew cuts and their conservatism, they transformed Arizona into a bastion of Sunbelt Republicanism.

But even as the Republicans cemented their control in the 1960s, rural legislators held onto the reins of seniority—and thus power. In the 1950s Arizona declined to participate in the federal Interstate Highway System; in the 1960s it turned down Medicaid. State government was tiny, the governor a figurehead. And Arizonans had little truck with Washington.

The task of dragging Arizona into the modern era fell to Babbitt. He is a lanky, scholarly type whose habitual slouch, thoughtful manner, and awkward style of speech hide an enormous drive. He has sandy hair, a lined face that has begun to sag, and large pale eyes. On a dais, when he

David Osborne writes about political and economic affairs. This article is adapted from his book, Laboratories of Democracy, *which will be published in May by Harvard Business School Press.* *© 1988 by David Osborne.*

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tries to sound like a politician, his body stiffens and his eyes bulge. In a small group, when he is in his natural, analytic mode, Babbitt can be brilliant.

Despite his weakness as a public speaker, Babbitt captivated the Arizona electorate. (He was elected governor in 1978 with 52 percent of the vote and reelected four years later, during a recession, with 62 percent.) Summing up the Babbitt years, the *Arizona Republic*—a conservative newspaper—called him the "take-charge governor." In a comment echoed by many others, an environmental activist told me, "He is without a doubt the smartest, quickest elected official I have ever met." "Babbitt played it on the precipice," added a state senator. "He is constantly pushing this state forward, and he has an uncanny ability to pull it off."

"This guy called us daily"

In addition to his brains and his daring, Babbitt was not hurt by his name. In Arizona, a Babbitt carries the status of a Kennedy in Massachusetts, a Rockefeller in New York, a Du Pont in Delaware. "The Babbitts came here in the 1800s," said Alfredo Gutierrez, until 1987 the minority leader in the state senate. "They built an immense empire in northern Arizona. There are Babbitt car dealerships, Babbitt department stores, Babbitt trading posts, Babbitt property managers, Babbitt everything. And they own an enormous amount of land."

A large Roman Catholic family, the Babbitts were known for their commitment to the Flagstaff community. As a boy, Bruce was the "in-house genius" according to a childhood friend. In 1956, he was valedictorian of his class at Flagstaff High. He attended Notre Dame, where he served as student body president and studied geology—his link to the grandeur of northern Arizona. From there he went to the University of Newcastle in England on a Marshall scholarship to study geophysics. But a summer project in Bolivia changed his life.

Babbitt went to Bolivia in 1961 on a research project with Gulf Oil. Ferried to and from a lavish base camp by company helicopter, he was struck by the contrast between the opulence of Gulf Oil and the poverty all around him. He decided he was more interested in people than rocks, more concerned with where the continent was going than where it had been.

He returned to the United States and enrolled in Harvard Law School, returning to South

Photo by Samantha McCormick

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America during his summer vacations to work on a variety of social action projects. In 1965 he headed south for the civil rights march on Selma, then joined the War on Poverty as a field agent for the Office of Economic Opportunity in Texas.

Living out of a suitcase, the 27-year-old Harvard Law graduate traveled from one south Texas town to another to help set up community action agencies, through which federal resources were channeled to the poor. In 1967 Babbitt followed his boss, who had been named director of VISTA, to Washington. "There are believers who perhaps may be naive and others who are realistic," said one former VISTA official. Babbitt "was a believer who was realistic."

The realist in Babbitt could see that the War on Poverty was to be short-lived. Spending on the Vietnam war was already forcing cutbacks at OEO, and Congress was under intense pressure from local politicians to rein in the young idealists who were giving them so much trouble. More importantly, the program was not working. "The War on Poverty bore some good fruit, but what I learned was you can't force thoroughgoing social change from the top down," Babbitt later told the *National Journal*. "The whole War on Poverty had a certain kind of arrogance. . . . It could not be a lasting process of change when it depended upon GS-7s hired in Washington dispensing federal money with terms and conditions that they prescribed in local communities."

After a decade of adventure, which had taken him from South Bend to South America to south Texas, Babbitt dusted off his law degree and returned to Phoenix. He joined a firm, served on the local legal services board, and did legal work for the Navajo tribe. He was one of a handful of liberal activists in Phoenix, a hardy band who stuck together because they were so outnumbered. In 1974 they drafted Babbitt to run for attorney general. He had the name, he had the money, and he had the right politics.

Babbitt understood the potential of the attorney general's office in an era of corruption and consumerism. While Watergate dominated the national news, land fraud and price-fixing were hot at home. The laissez-faire, frontier mentality was so strong in Arizona that organized crime had moved in to take advantage of it—just as it had to the north in Nevada. By the early seventies, Arizona was becoming known as the land fraud capital of the world.

Babbitt convinced the legislature to allow him to appoint a statewide grand jury, then set it to work on land fraud. It prosecuted more than 100 cases and effectively ended the practice. He also attacked price-fixing in the milk, bread, funeral home, and liquor industries. His name did not really hit the headlines, however, until he prosecuted the murderers of *Arizona Republic* reporter Don Bolles in 1976. Like Babbitt, Bolles was investigating the role of organized crime in land fraud. On June 2, 1976, his car blew up. When Babbitt's name turned up on the accused murderers' hit list—for his role in prosecuting organized crime—he became something of a hero.

One March morning in 1978, Babbitt awoke to discover that he was governor. Raul Castro, the governor, had resigned to become ambassador to Argentina. Lt. Gov. Wesley Bolin, who succeeded Castro, had died. The secretary of state was appointed, not elected, hence she could not assume the post. Babbitt was next in line.

Raising Arizona

To appreciate Babbitt's capacity for leadership it is important to understand the weakness of the governor's office he inherited. Arizona was perhaps the only state in the union in which a governor would consider the ambassadorship to Argentina a step up. State government was run by a small group of senior legislators and their staffs. The governor, who had virtually no staff, was brought out largely for ceremonial occasions. The notion that a governor might try to set an agenda for the state, or dare to veto a bill, never crossed most politicians' minds.

Babbitt immediately set out to change that. Six weeks into his term he vetoed two bills on the same day—then timed his veto message for the evening news, knocking the wind out of a planned override. The legislature reacted with shock. "Our idea of an activist governor was one who met with us once a month to seek our advice," said Gutierrez, the former senate minority leader. "This guy called us daily to tell us what he wanted to do."

Babbitt vetoed 21 bills in 1979, 30 more over the next two years. "My business friends used to complain that we had a weak governor," says Jack Pfister, general manager of the state's biggest utility, the Salt River Project. "After Babbitt was in two or three years, you never heard anybody complain about that again."

In his second year as governor, Babbitt tackled the issue that dwarfs all others in Arizona: water. In the desert, water is life. Boston gets 44 inches of rain a year; Phoenix gets seven. By 1980

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HARPER'S INDEX

Interest payments on the federal debt that were made to foreigners in 1984 : $19,800,000,000
U.S. foreign aid in 1984 : $15,583,000,000
Hours spent on strike by Italians in 1979 : 192,700,000
In 1984 : 51,000,000
Rank of Italy, Argentina, and Libya in annual per capita pasta consumption : 1, 2, 3
Pounds of pasta the average American ate in 1975 : 6.8
In 1984 : 11
Number of Americans who drink Coca-Cola for breakfast : 965,000
Quarts of ice cream the average Southerner eats each year : 12
The average New Englander : 23
Potholes in the United States : 55,961,000
Cost of having a car blessed at the Daishi Buddhist temple in Kawasaki, Japan : $10.77
Cost of a car wash at Steve's Detailing in New York City : $145
Percentage of American women who said they liked sports cars in 1976 : 39
Who say that today : 56
Percentage of American men who say they sleep in the nude : 19
Percentage of American women : 6
Copies of Bride's bought by the magazine's average reader : 7
Percentage of black high-school graduates under 25 who are unemployed : 26.8
Percentage of white high-school dropouts under 25 who are unemployed : 26.2
Amount South Africa spends to educate the average white student each year (in rand) : 1,385
The average "colored" student : 872
The average black student : 192
Number of Jews permitted to emigrate from the Soviet Union in 1979 : 51,320
In 1984 : 896
Number of Americans who emigrate each year : 100,000
Percentage of New York City children who live below the poverty line : 40
Average age at which American girls began to menstruate in 1900 : 14.3
In 1984 : 12.9
Percentage of American obstetricians/gynecologists who have been sued for malpractice : 67
Number of Americans who have been killed on the job by robots : 1
Number of Americans currently frozen in the hope of one day coming back to life : 11
Number of Americans holding reservations with Pan Am for a trip to the moon : 90,000

Figures cited are the latest available as of April 1985. Sources are listed on page 74.

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"Babbitt played it on the precipice," said a state senator. "He was constantly pushing this state forward, and he has an uncanny ability to pull it off."

Arizonans were pumping almost five million acre-feet of water out of the ground a year—nearly twice the amount nature was putting back in. (An acre-foot is enough to cover one acre to a depth of one foot.) In central Arizona, where most of the people live, groundwater levels were dropping ten feet a year. Huge fissures—up to nine miles long and 400 feet wide—had begun to open up in the parched ground.

Incredibly, farmers were consuming 89 percent of the water. This was a desert state, in a nation whose farmers produced far more than they could sell. Since the 1930s, the state's political leaders had understood the severity of the problem, but repeated attempts to solve it had come to naught before the power of the farmers and their allies, the copper kings, whose mines consumed another 3 percent of the water.

In 1976, the Arizona Supreme Court forced the politicians to act. The court ruled that a landowner could not transport water from one area to another if by doing so he injured another party—by lowering the water table, for instance. Had the decision been enforced, it would have shut down the copper mines and threatened the survival of the cities. The effect would have been so devastating that the agribusiness that had sued—and won—chose not to seek an injunction to enforce the decision.

In the wake of the ruling, the legislature established a Groundwater Management Study Commission, whose members were divided meticulously between the cities, the mines, and the farmers. It gave the commission unusual powers: if the legislature failed to pass a groundwater depletion bill by September 7, 1981, the commission's proposal would automatically become law.

The obvious rational solution was to cut back agricultural irrigation. The Arizona Water Commission (AWC), a public planning body with little power, recommended that the state buy agricultural land and take it out of production. While this may have been the simplest solution, it failed the basic test of politics. Representatives of the cities and mines had no interest in taxing the public to pay off the group they believed was responsible for the problem. "We're not going to buy farms so that farmers can move to La Jolla and raise martinis," the two mine representatives announced.

Another simple solution would have been to allow all groundwater rights to be bought and sold, to let supply and demand drive up the price, and to let the market ration water. This approach also flunked the test of politics: it would have quickly bled dry the rural areas to benefit the more prosperous cities. After two years, the commission remained deadlocked. Finally, in November 1979, it asked the governor to mediate.

Babbitt agreed. For six months they met in a Phoenix conference room, working six and seven days a week, often into the night. They agreed that whatever compromise they reached would be final; no amendments would be allowed by the legislature. "Everyone realized that this was a last-ditch effort," says Kathleen Ferris, a young lawyer who directed the commission staff and later ran Babbitt's Department of Water Resources.

Babbitt took the easy issues first. He allowed every issue to be discussed at interminable length until a consensus emerged. If none did, he deferred the issue or assigned it to a subcommittee. He took no votes. He made sure each of the three interests—the cities, farmers and mines—won their share of concessions. And he waited. "I don't think I've ever seen a politician so patient," says Ferris. "He was absolutely willing to outwait everyone."

Much of Babbitt's leverage resided in his mastery of the enormously complex issues at stake. According to participants, he knew more about the intricate details of the plan than anyone else in the room. "The first thing you learn when you're negotiating is if you don't keep on top of the details, you lose your leverage to really make

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things happen," says Babbitt. "All I ever learned in a big law firm was, the power is in the hands of the draftsmen. . . . As the architects say, God resides in the details."

As time wore on and the three power blocs each extracted significant victories, they slowly developed an investment in the project's success. When the toughest issues finally came to a head, Babbitt drew on this investment to impose what he thought were the fairest solutions.

In March, the group came to agreement on general principles. They chose a system with strong state regulation, combined with a limited marketplace in which groundwater rights could be bought and sold. The central feature was a requirement that each of three urban "Active Management Areas"—the water basins in which most of the state's groundwater was consumed—adopt a series of increasingly stringent ten-year plans, so that by the year 2025 the state's residents would pump no more water out of the ground than was returned.

One issue threatened to derail the consensus. The group had earlier voted to ban new development in an Active Management Area unless it could demonstrate a 100-year "assured water supply." Now the cities insisted that they should be exempt. If this were done, developable land inside city limits would be far more valuable than land outside city limits. The farmers, who owned most of the developable land outside the cities, naturally objected. The commission was deadlocked.

Babbitt had called a special legislative session to pass the law. When the deadline for printing the bill approached, he announced a week's postponement. Seven days later the deadline loomed again. Babbitt refused to postpone the session a second time. At 2 a.m. on June 2, 1980, with no resolution in sight, Babbitt brought the negotiations to a close. He announced to the press that he would not allow one issue to jeopardize the entire bill. He then huddled with representatives of the cities, who insisted that their bottom line was a 50-50 compromise in which the rule would not apply within the city limits until 2005. Babbitt accepted the compromise, forced the other participants to agree, and pushed the bill through the legislature without amendment.

It was an enormous political coup for the young governor. The participants agreed that without Babbitt, they would never have succeeded. Where others had tried and failed for 40 years, Bruce Babbitt had cut the Gordian knot.

Photo by Samantha McCormick

More bang for the buck

If it seems surprising that the nation's most conservative state has some of its toughest environmental laws (including one of the strictest water *quality* laws in the country, pushed through by Babbitt in 1986), it is doubly surprising that Arizona boasts some of the nation's most experimental social service delivery systems. In both cases, necessity was the mother of invention. While a shortage of water forced stringent controls in a laissez-faire state, a shortage of money forced creativity in the social arena. When Arizonans elected a former War on Poverty activist as governor on the same day that they passed a state constitutional amendment limiting state expenditures to 7 percent of personal income, creativity kicked into high gear.

During the early seventies, the state hardly delivered any services beyond those required by the federal government, such as Aid to Families with Dependent Children (AFDC), unemployment compensation, and food stamps. As Babbitt increased social spending, the state faced a choice: it could expand the state bureaucracy or it could push more and more service delivery in-

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to the nonprofit sector. Babbitt and the legislature chose the latter path. Rather than relying on a state bureaucracy to deliver meals on wheels or to prevent child abuse or to provide drug and alcohol abuse programs, the state signs roughly $280 million a year in contracts with organizations such as Chicanos por la Causa, the Urban League, Catholic Social Services, and scores of smaller groups.

"Privatization" of government services—turning them over to for-profit corporations—has been widespread during the 1980s. Arizona's strategy, in the social services arena, is fundamentally different: it relies on nonprofit, community-based organizations. The idea is to get not only more bang for the buck but more compassion and more commitment from those delivering the services. It also seeks to promote competition. In a rapidly changing society, the diversity and flexibility of community organizations provides a tremendous advantage over large government bureaucracies.

One example of the new trend is Chicanos por la Causa (CPLC), a community development corporation set up by the Ford Foundation in 1969 to empower the huge Hispanic population of South Phoenix. In its early days, CPLC was more a militant advocacy group than anything else. It still plays that role, but now it has 127 employees, a $4.2 million annual budget, a for-profit real estate subsidiary, a revolving loan fund, nonprofit housing development projects, and a key role in developing a $15 million "mercado" —a traditional Mexican marketplace—in downtown Phoenix.

What is most unusual about CPLC is that half of its budget comes from social service contracts with the city and state. CPLC provides job training, counseling services, daycare centers, meals in schools, training programs for unwed mothers, services for the elderly, a shelter for victims of domestic violence, and alcohol, mental health, and drug abuse programs. "The advantages are that you bring services down to the local level, you get the community involved in the project," says Pete Garcia, CPLC director. "Rather than the bureaucracy, it's the community saying we're going to do what we think our community needs."

Arizona has contracted with community groups not only to run social programs but also to act as administrators—to award contracts and supervise programs. According to Garcia and others, the new "administrative entities" are far more responsive to the needs of local community organizations than were the old state administrators. "We don't look at them as the state," Garcia explains. "We look at them as community groups that want to help."

Babbitt not only pushed social service delivery into the community, he brought new social issues to the fore. He shocked his aides, for instance, by devoting his entire 1985 State of the State address to children's issues. He also took the press and the public by surprise. In an editorial headlined: "Babbitt's Dish of Quiche," the *Arizona Republic* complained that Babbitt was ignoring the "meat and potatoes" of state government—roads, prisons, and water—to talk about quiche. But the speech generated a tremendous amount of attention, and Babbitt eventually got the majority of what he wanted from the legislature. The new items included health coverage for all poor children under six, a new Governor's Office of Children, more money to enforce child support payments, and $7 million to expand the Child Protective Services Program, which contracts with nonprofit organizations to help families in which child abuse is suspected.

Babbitt's top priority, however, was expanding daycare. The state already had a modest subsidy program for poor families, but statistics showed huge gaps in the availability of day care. When Babbitt sought a tax credit of about $200 per family for day care, the legislature refused to pass it. Without public money to spend, Babbitt concentrated on getting the private and nonprofit sectors to respond. He gave speeches about child care, sponsored a conference for corporate CEOs on daycare, appointed a task force and held a conference on latch-key children, and urged local YMCAs, churches, school districts and the like to open after-school facilities. Babbitt claims that over the next year more than 100 programs were launched, and most observers support his contention.

Essentially, Arizona is doing in social services what several other states have done in economic development: using the public sector to define the problems, but relying on nongovernmental institutions to tackle them. This means relying not on the private sector, as Ronald Reagan would, but on a "third sector" of nonprofit and community organizations. The third sector is more effective than the private sector precisely because its goal is to solve social problems, rather than to make money.

Because he understood the difference between a third sector strategy and privatization, Babbitt was careful to stay clear of rhetoric about

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privatization. "I've had some bloody fights over the limits of privatization," he explained. "We have a legislature here that would contract out the governor's office if it could. And what we've learned is this: the contracting out of definable tasks is easy and important and we've been relentless about it, we've gone much further than many states. But the notion that social services can be bid out to the profit-making sector needs a lot of care. I successfully resisted for nine years the notion that you can bid out the most difficult and dangerous social service job of all, which is running the prisons. [Babbitt twice vetoed bills allowing private companies to build and operate prisons.] I just don't believe in it."

A political tar baby

The real lesson came in health care with the development of the Arizona Health Care Cost Containment System. AHCCCS was the most radical experiment in Medicaid history, and despite a disastrous beginning and continuing problems it has proven a success. It has pioneered a model of providing health care for the poor that offers hope of taming the rampant inflation that has plagued Medicaid and Medicare.

When the federal government created Medicaid in 1965, promising to underwrite at least half the cost of health care for the eligible poor, 49 of 50 states quickly signed up. The 50th was Arizona. As in most other states in the pre-Medicaid era, Arizona's county hospitals provided health care to the poor. By the 1970s the task consumed 25 percent of county revenues; several counties faced bankruptcy by 1981. Reluctantly, the legislature bailed them out and began serious consideration of a Medicaid program.

Medicaid has traditionally reimbursed private physicians for the care they provide the poor on a fee-for-service basis—meaning that the doctor

. . . And in Little Rock, Trenton, and Richmond

Bruce Babbitt has not been alone in proposing innovative solutions to a state's problems. The 1980s have been a decade of enormous innovation at the state level. In the past 10 years, state governments have created well over 100 public capital funds to make loans to and investments in business. At least 40 states have created programs to stimulate technological innovation, which now number at least 200. Dozens of states have overhauled their public education systems. Several have reformed their welfare systems as well, an effort that is spreading rapidly.

Why this sudden burst of innovation? Just 25 years ago, state governments were widely regarded as the enemies of change, their resistance symbolized by George Wallace standing in the schoolhouse door. The answer has to do with the profound and wrenching economic transition the United States has experienced over the past two decades. The U.S. economy has evolved from one built upon assembly-line manufacturing in large, stable firms to one that is rapidly changing and knowledge-intensive.

When an economy goes through such a transition, it throws up a series of new problems. So far, the federal government has failed to respond. Jimmy Carter was elected just as the public began to sense that something had gone wrong with the American economy. Like other national politicians of his day, he perceived only dimly the realities of the new economy. Ronald Reagan owed his election to the deepening economic crisis, but his solution was to reach back to the free-market myths of the pre-industrial era.

Most governors have not had that luxury. When unemployment approached 13 percent in Massachusetts, or 15 percent in Pennsylvania, or 18 percent in Michigan, the governors could not afford to wait for the next recovery or evoke the nostrums of free-market theory.

Instead, governors have offered solutions that are not only creative but are also difficult to place on the traditional political spectrum. In essence the governors are creating a new political paradigm, a post-New Deal, post-Reagan politics, appropriate to the new challenges of the post-industrial era.

If the new paradigm can be described in a nutshell, it focuses on economic development. Given the tight fiscal climate of the 1980s, the new breed of governors is loath to create programs that spend money in the traditional ways. But they are willing to invest in education reform, economic development, and welfare reform. Their method is not to create new public bureaucracies to solve problems, as traditional liberals would, nor to destroy them as conservatives would. They attempt to use government's leverage to change private sector behavior in ways that solve problems.

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charges a fee for each separate service, whether a flu shot or an appendectomy. The more the doctor does, the more he or she is paid. But by 1980 the fee-for-service system was under serious challenge from a wave of health maintenance organizations (HMOs). HMOs receive set monthly fees from their clients; in return, they provide all health care, no matter how sick the client gets. Thus an HMO maximizes profits by cutting out unnecessary procedures, while a fee-for-service physician or hospital maximizes profits by expanding services. Where enough HMOs have entered the medical marketplace they have introduced fierce price competition.

In 1979 and 1980, Babbitt proposed that Arizona contract with existing HMOs to provide medical care for AFDC recipients in the Phoenix and Tuscon areas. The legislature ignored his proposal both times, but when the crunch came in 1981, they decided to explore the concept.

Republican legislative leaders designed AHCCCS, with some input from their Democratic counterparts. Babbitt's only role was to veto their first bill because it had not been approved by Washington and would therefore receive no federal funds. As ultimately passed, the system was to be run by a private firm on a contract with the state.

The legislature's first mistake was rushing AHCCCS into operation less than 11 months after the act was signed. The second mistake was choosing a firm that had no experience with HMO-based health care systems: McAuto Systems Group, Inc. (MSGI), a subsidiary of McDonnell-Douglas. To take but one example, MSGI's computer system was 15 years old. McAuto had to fly the tape back to St. Louis once a week to be read by its computer. Half the names would be rejected because the computer programs didn't quite match up, leaving thousands of people without health care.

Of 16 original health care providers under

The same dynamic occurred during the last great economic upheaval. As Franklin Roosevelt once said of the New Deal, "Practically all the things we've done in the federal government are like things Al Smith did as governor in New York." Just as the state and local progressivism of this century's first two decades foreshadowed the New Deal, the state and local experimentation of the 1980s may foreshadow a new national agenda. Already the themes that have dominated state politics in the 1980s—economic competitiveness and excellence in education—are emerging as major themes in the 1988 presidential election.

The new politics is not confined to the Democratic party. Republican governors such as Pennsylvania's Richard Thornburgh and New Jersey's Thomas Kean have been saying remarkably similar things. Kean identified the priorities of his second term as jobs, environmental protection, and education reform. When I asked Thornburgh what the next president's priorities should be, he talked about education reform, job training, and new partnerships between the federal government and business.

Another governor who seems to break the traditional political mold is Chuck Robb, the former governor of Virginia. In 1987, Robb called for Americans "to negotiate a new social contract." He said, "[This] means the end of an aristocracy of management and the beginning of a democratic capitalism characterized by a new egalitarian ethic in the American work place."

These are not the words of a moderate, which is how the media has labeled Robb. These are radical words that do not fit the old categories. One can only make sense of them, in ideological terms, by placing them within the new paradigm.

Governors such as Robb, Babbitt, Kean, and Thornburgh have had the political courage to put the public's general interest above the specific interests of their own constituencies. When necessary to reform basic systems in education, transportation, welfare, and the like, they have been willing to take on their own supporters. Perhaps the best example is Bill Clinton of Arkansas. In 1983, Clinton launched a full-scale effort to improve the Arkansas education system. To do so, he had to take on one of his most loyal allies—the teachers union.

When Clinton came into office, Arkansas was last in the nation in education spending per child, in teacher salaries, and in percentage of college graduates. During his first term, in addition to raising spending on elementary and secondary education by 40 percent, hiking teacher salaries, and requiring new teachers to pass the National Teacher Exam, Clinton introduced standardized tests to measure the performance of public school students.

The standardized tests showed just how bad the schools were. On the first test, fourth graders scored in the 44th percentile. Eighth graders scored in the 38th percentile. The longer they had been in school, the worse Arkansas students did. As Clinton pursued his reforms, one issue came

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AHCCCS, three went bankrupt and two others were sold to their creditors for one dollar. Part of the problem was corruption; part of it was poor design and execution on the state's part; and part of it was a decision by the state administrator (under pressure from the legislature) to force bids down as low as possible.

"[MSGI] succeeded in discrediting and destroying the program within 12 months," says Babbitt. "It was an unbelievable mess, the reverberations of which are still going through the courts in this community. It was a very sobering lesson."

By 1984, AHCCCS was a serious black eye for Babbitt and Republican legislative leaders, who of course blamed each other. All along, the Republican leadership had been making the political decisions that guided AHCCCS. Finally, in the spring of 1984, Babbitt offered to take over if they gave him the money and the legislative changes he needed. They readily agreed. According to knowledgeable observers, the Republicans believed the program was such a mess that Babbitt could never set it right. They saw it as a political tar baby.

Soon thereafter the state refused to pay McAuto's latest overcharge and McAuto walked away—both parties charging breach of contract and filing suit. Babbitt fired the director of his Health Department and demoted his AHCCCS director. He hired Donald Schaller, a respected physician who had founded Arizona's first HMO, to run AHCCCS as a department of state government. Schaller started virtually from scratch, installing new financial and data systems. AHCCCS had run up a $65 million deficit, and Babbitt spent close to double that to save it.

There are still major problems, but even the program's critics now prefer it to the old system. (Most of the remaining problems stem from the fact that so many of the poor are *not* eligible for AHCCCS—which in turn reflects the legislature's habit of pinching pennies. Babbitt's preferred

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through loud and clear: raise teachers salaries, yes, but first get rid of incompetent teachers.

It is difficult for an outsider to understand what a serious problem teacher incompetence was in Arkansas. Clinton's Education Reform Commission was deluged with horror stories about poor teachers, complete with letters teachers had sent home full of spelling and grammatical errors. Failure rates of National Teacher Exams, taken by teaching applicants, were over 50 percent at some teaching colleges.

To deal with the problem, Clinton required all teachers to pass an eighth-grade-level competency test in reading, writing, math, and the subject matter they taught. Many teachers felt the governor was using them as scapegoats. By forcing them to take a test, they felt he was accusing every one of them of being ignorant and incompetent.

His teacher competency test overshadowed all of Clinton's other reforms. The struggle over these tests became a battle between the governor and the state's largest union, the Arkansas Education Association—a battle that symbolized the growing conflict between the public interest and the most powerful Democratic interest groups.

In 1983 the National Education Association publicly condemned Clinton and called on a wide array of Democratic Party, labor, and civil rights leaders to lean on the governor. Two years later, in an effort to repeal the testing bill, the union brought thousands of teachers to the Statehouse to lobby their legislators—so many that on one lobbying day the Little Rock schools had to shut down.

The AEA twisted enough arms to push repeal through the House, but Clinton went over the politicians' heads. He put an ad on radio asking people to call their legislators. "It was a madhouse," said one state legislator. "The telephone switchboard was on from dawn to midnight." The repeal died in the Senate.

Once he had won the competency test battle, Clinton implemented the rest of his reform program, lengthening school days and forcing schools to improve their curriculum. His real achievement was less the specific reforms, however, than the fact that for four years running he made education the foremost issue in Arkansas politics. To a remarkable degree, he succeeded in changing the way Arkansans thought about education.

A classic new paradigm liberal, Clinton has clearly struck a chord within an electorate that believes traditional approaches have failed. "We must understand that the established dogmas of both national political parties are inadequate to the needs of the present," Clinton said in his 1985 inaugural address. Summing up the political synthesis which he represents, Clinton said, "We may want the government off our backs, but we need it by our sides."

This year may be too soon for the politics of governors such as Babbitt, Clinton, Kean, and Thornburgh to go national, but 1992 may be just right.

—*DO*

solution was to make everyone up to the poverty line eligible for AHCCCS.)

It is impossible to tell whether the program is saving money, because there was no previous program with which to compare it. But based on several studies, the experts generally believe that the HMO system has kept costs lower than they would be under conventional Medicaid.

What can one conclude from Arizona's travails with AHCCCS? Surprisingly, a clear consensus exists: Arizona has shown that HMO systems for Medicaid make sense. Roughly 30 states are trying some kind of HMO program. Experts believe that Arizona has pioneered a model that will succeed in controlling Medicaid costs.

Holding highways hostage

Arizona's phenomenal growth created little pressure on Babbitt to focus on economic development. The only pressing economic problem he addressed in any comprehensive way, aside from water, was the state's higher education system.

The most pressing problems involved Arizona State University's engineering school. The major college in the Phoenix area, ASU was known for big-time sports and big-time parties. *Playboy* once named it the nation's number one party school. As the Phoenix area's high-tech industries boomed, they began having trouble recruiting engineers—many of whom wanted to update their education every three to five years to remain on top of their fields—because of the engineering school's poor reputation.

In 1978 industry leaders created an advisory committee to work with the school and took their case to the governor. Babbitt stole their thunder. "I'm not interested in being behind short-term or small-time budget increases," he said. "Come back to me with a sweeping multi-year program, and I'll support you."

The advisory committee drew up a five-year plan calling for new investments in the engineering school—from industry, from the federal government, and from the state. (Industry raised $18.5 million, the feds contributed about $8 million, and the state provided about $28 million.) With both the governor and the business community pushing the package, the legislature embraced it. Between 1979 and 1984, ASU's engineering school built a 120,000-square-foot research center, installed $15 million worth of new equipment, hired 65 new faculty, moved from $1 million a year in research to $9.4 million, and set up a continuing education program that included televised classes beamed right into local plants and offices. In 1984, the National Academy of Sciences ranked ASU's Mechanical Engineering and Electrical Engineering departments second and third in the nation in improvement over the previous five years.

Throughout this period, Babbitt worked hard to convince the public that investment in its universities was critical. "In earlier, less complex times, universities were nice to have but not essential to economic growth," he said in a 1983 speech. "Universities and colleges are now an economic asset as important to our economic future as copper ore, farms, banks, factories, and airlines."

Babbitt also tackled the state's weak primary and secondary education system. With Babbitt doing much of the pushing, Arizona has raised its high school curriculum and its university admission standards, reformed its teachers colleges, and required new teachers to pass a competency test. It has also partially equalized funding for poor and rich school districts, put extra money into early education enrichment programs, provided free high school textbooks for the first time, and created a loan forgiveness program for college students who become math or science teachers.

Babbitt was an early advocate of merit pay for teachers. The teachers' union opposed Babbitt's proposal, and the legislature ignored it. Instead, it funded pilot "career ladder" programs, which have been far more palatable to teachers, in a number of school districts. These involve a series of three or four steps, beginning with some kind of apprenticeship and ending with "master

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Babbitt took on the big issues in Arizona: water, education, and social services. To address those issues, he had to transform Arizona politics. To solve them he had to exert leadership of the most effective kind.

teacher" status, in which outstanding teachers spend part of their time helping other teachers improve their performance. With each step up the ladder, a teacher is paid more—thus introducing some notion of merit into the salary structure.

Career ladders did not solve the basic problem of inadequate pay for teachers in Arizona, however. Raising teachers' salaries was Babbitt's top priority, and in 1985 he saw his chance. The Republicans and the business community had united behind a 20-year, multi-billion dollar highway building program. Because Arizona had stayed out of the federal Interstate Highway program, its needs were acute. With 1.5 million people, the Phoenix area had only 17 miles of freeway. Republican leaders were determined to address the problem.

Six weeks before the end of the legislative session, Babbitt began hinting that unless the legislature increased teachers' salaries, he might veto its highway bill. In a special address to the legislature, he laid out his plan for a 10 percent increase in spending on teacher pay and a ballot initiative allowing a 5 percent increase in the constitutional spending cap for education.

The Republicans, who controlled the legislature, scoffed at Babbitt's suggestions. But six weeks later, as the session reached a climax, Babbitt got their attention. He announced that he would veto the highway bill they so badly wanted unless they passed his education package, as well as a welfare benefit increase and an assortment of other items. The Republicans screamed that the governor was holding highways hostage—which was precisely what he was doing. Babbitt held firm: no kids, no concrete.

The confrontation played as high drama on the evening news. "He got the public excited," said Gutierrez. "He's a poker player, that fella. Watching him has become a kind of spectator sport in this state." When the dust settled, Babbitt had pulled it off. He had to do a little negotiating, but he got what he wanted. He also extracted a promise from business leaders to support the ballot initiative, which passed in 1986.

The showdown symbolized Babbitt's entire governorship. "If you look at what I've done over the last ten years," he says, "you will find that in any given year I have selected one or two or three issues and used everything at my disposal—initiative, referendum, the bully pulpit, the press, brow-beating, trade-offs, threats, rewards—to get what I needed. My agenda is concentrated and aimed at overwhelming the opposition."

"Veto power like a scalpel"

A great governor of Arizona gets less recognition than a good governor of Massachusetts or New York. But if the question is the significance of the problems tackled and the depth of the solutions provided, Babbitt's record is impressive. Despite his shortcomings in a few areas, such as economic development, he did take on the big issues in Arizona: water, education, and social services. To address those issues, he had to transform Arizona politics. To solve them, he had to exert leadership of the most effective kind.

Even the Republicans acknowledge that Babbitt changed the nature of government in Arizona. "I have to admit he forced us to take on some issues we probably would have preferred to ignore," says Rep. Jane Hull, a Republican who has no love for Babbitt. "I guess in some ways he did drag us kicking and screaming into the 20th century."

Babbitt's decisiveness is associated in the public mind with his independence of political constituencies. The best example was a 1983 copper strike at Phelps Dodge Corporation. When the company hired strikebreakers to keep its mines and smelters running, frustrated strikers gathered at mine gates—throwing rocks, smashing windows, and threatening those who were taking their jobs. The state police told the governor they could not handle the situation. Babbitt negotiated

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a ten-day cooling-off period in which the mine was closed. Negotiations continued, but with no resolution. When the mine reopened, Babbitt ordered 350 Arizona National Guardsmen onto the property to back up the state police.

The National Guard has been used throughout American history to break strikes. To labor, it was a red flag. The copper workers have never forgiven Governor "Scabbitt," as he became know in copper country. Even many of Babbitt's strongest supporters felt that he should have put the Guard at a neutral site, rather than on Phelps Dodge property. But the governor believed lives were at stake, and if the workers stormed the gates, National Guardsmen stationed elsewhere would have been useless. In the public mind, Babbitt had taken decisive action—and demonstrated his independence from an important liberal constituency.

Leadership is the core of Babbitt's image with the Arizona public. Pat Cantelme, then head of the Central Arizona Labor Council, offered a typical observation after Babbitt's legislative victory in 1985. "He uses his veto power like a scalpel," Cantelme said. "The legislature lines up to beat him, he stays aloof, and then in a week's time at the end of the session, he gets everything he wants. He's made the governor's office what everybody thinks it should be. The office today is one of leadership."

Babbitt is a classic example of the new breed of Democrat elected in the post-Watergate era. He fits neatly into neither the liberal nor the conservative camp when measured on a traditional political spectrum.

Consider Babbitt's fiscal record. In 1978 he supported a constitutional amendment limiting state spending to 7 percent of personal income; during the 1982-83 recession he pushed through successive across-the-board cuts of 5 to 10 percent in all state budgets. Both of these actions would qualify him as a conservative Republican, on the traditional New Deal spectrum. On the other hand, he pushed through large increases in spending on social services, health care for the poor, education, and environmental regulation. This part of his record would qualify him as a liberal Democrat.

The same absence of a traditional liberal or conservative pattern emerges on national issues. Babbitt has long called for a balanced federal budget; during his presidential campaign he has spelled out precisely how it should be done. But he has also been the nation's most outspoken advocate of cutting federal subsidies for the affluent, the middle class, and the wealthiest corporations. He first made a national name by campaigning for means-testing of entitlement programs—specifically, full taxation of social security benefits and imposition of partial Medicare payments for those who can afford them. He was the first Democratic governor to endorse the Treasury Department's original tax reform bill, the most radical of all the proposals to withdraw tax subsidies from the wealthy and big business. Babbitt talks about all this in very populist terms: he wants to take from the rich so to preserve programs for the poor.

"It's a very different thing," says Babbitt, referring to his politics and those of like-minded governors. "We are, in a philosophical sense, conservative in two areas. One, we really do worry about what percentage of the GNP you can fairly devote to government. And some of us, perhaps myself more than others, are conservative in the sense of caring very deeply about what level of government does what. A few of us really believe that these accountability issues are tremendously important."

Babbitt believes he and other Democratic governors have been successful during the Reagan era for two reasons. "First, we have manifested our concern for economic growth—we are absolutely perceived as being growth-oriented. Second, on the fiscal side, we are seen as people who are really willing to wrestle with this issue of governmental limits, to try to lay out priorities and order our requests so that things balance out. In every other respect, we share the agenda.

"The voters know I'm a fanatical environmentalist, but it's okay, because they don't perceive me as antigrowth. They perceive me as a liberal on all the traditional social issues, but again, it's not important, even if they don't agree, because they are reassured by the sense of some fiscal limits. We have gone beyond a lot of the issues that used to give rise to these left/right characterizations."

Babbitt once described his politics as "radical centrism." The thesis is that voters no longer want traditional liberal or conservative ideology, but they do want radical action that will cut to the heart of the nation's problems. In a sense, they want a leader like Franklin Roosevelt—nonideological, thoroughly experimental and pragmatic, but in the end radical because of the fundamental nature of his reforms. Though he lacks Roosevelt's communication skills, Babbitt has demonstrated that —at least at the state level—he can be that kind of leader. □

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Every city wants one

Home Sweet Dome

by John A. Barnes

In the middle ages, cities that aspired to greatness built cathedrals. Today, the structure of choice is a domed stadium. Over the past decade, municipal leaders and sports teams owners have become afflicted with what might be called an edifice complex as at least 20 cities across the continent wager $100 million or more on the curative powers of new or improved stadiums, most of them domes.

The politicians like them because they think domed stadiums possess the magical ability to cure (check one): a) rundown economies; b) boredom; c) an inferiority complex; d) all of the above. The attraction for team owners is easy to understand: they get a brand new arena at little or no cost.

The city and sports officials who are the driving forces behind this building boom argue that it's a good investment. Even if a stadium actually loses money on paper, they contend, it is more than made up for by the development it attracts, the jobs it creates, and the taxes it collects—the so-called multiplier effect.

But the evidence is mixed. Like most men of faith, the high priests of dome-side economics rely more on the will to believe than the earthly evidence. The numbers can be molded like clay. In 1980 the Pittsburgh Chamber of Commerce produced a much-quoted study that attributed $33 million of the city's annual economy to the presence of the Pirates baseball team and the Steelers football team. Five years later, the University of Pennsylvania did its own study that attributed no less than $300 million in economic growth to Philadelphia's sports teams.

Nonsense, says Robert Baade, a scholar who has also investigated the issue. Stadiums don't create wealth, he says, they just redistribute it. The T-shirt shop that did so-so business downtown has great luck over by the stadium. And the jobs created by a stadium doth not an economy make. The high-paying construction jobs are finished when the stadium is; and there are fairly tight membership requirements for most players' unions. The jobs that are permanent and abundant aren't exactly lucrative. "Beeeeeer, heeeere!!!" is not a toast of the rich and famous.

Stadiums usually do little to boost consumer demand, Baade says. Sports is entertainment. The money spent at sports events is often redirected from other fun. It's either peanuts for the elephants at the zoo or peanuts for your kids at the ballpark.

To be sure, stadiums can draw tourists, especially baseball, which is rarely sold out and is played during those summer, vacation-laden months. But a number of domes lose money. Even the best pro football team will play only eight regular season games at home, with a few more thrown in during pre-season and, for the fortunate few, the playoffs. There are 81 home baseball games during a season, but only three domes have major league teams. By and large, there aren't enough tractor pulls, booksellers conventions, and boat shows to make up for dome time spent dark and empty. "The domes may bring in some business, but offsetting that is the operating deficit," said Bruce Bingham, a consultant with Peat, Marwick and Mitchell Co. "If budgets are strained and you have to raise taxes, you're shooting yourself in the foot." New Orleans, for example, has had to lay off police and firemen, in part, to pay for the Superdome.

If the economics are dubious, why rush to dot the landscape with domes? Ego. When Houston touched off America's keep-up-with-the-Jones's-dome syndrome with the 1965 Astrodome, neighboring New Orleanians vowed to build one of their own that would make their rival city's structure look like "a peanut stand" (the first known case of Dome Envy). It opened a decade later and has lost money ever since.

But never mind about that, says Moon Landrieu, former mayor of New Orleans and a father figure to the stadium. "The Superdome is an exercise in optimism, a statement of faith,"

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he said a few years ago. "It is the very building of it that is important, not how much of it is used or its economics." Though it looks like a flying saucer, at least he refrained from eponymously labeling it the Moondome. The same can't be said of Brendan Byrne, the former governor of New Jersey. Before he left office in 1982, he had the honor of seeing the new home of the New Jersey Nets basketball team christened the Brendan T. Byrne arena.

One reason politicians feel safe putting their communities in dome debt is that they're usually not around to take the blame when the bills come due. And whatever else they do, domes whip up enthusiasm among the mayor's fans—the backfield of lawyers, architects, realtors, analysts, concessionaires, and consultants that feed at the public trough. Call them Porkdomes.

You might call them other things too. As America becomes the Kingdom of Kingdomes, Metrodomes, Astrodomes, Hoosier Domes, Suncoast Domes, Georgia Domes, Alamo Domes, Silverdomes, and Superdomes, here's a few more to add to the list:

►**The Panacea Dome**: When the New Orleans Saints go marching into the Superdome, they're cheered. Their days as the NFL's "Ain'ts" are over, for now at least. But while the stadium has been good for football, it hasn't done as much for the city. Built in 1975, this first of the megadomes was meant to serve as the centerpiece of economic development. Business would boom. Pilgrims would flock. Even a baseball team would follow. When the final cost was tallied, the Superdome checked in at a hefty $169 million, nearly four times the original estimate. But that was just the downpayment. Tack on annual operating losses of up to $12 million.

As the construction costs ballooned, city fathers began explaining that this was no mere stadium. Why, it's a convention center, too. But the stadium floor is too large for most conventions, the meeting rooms too small. A few years later, the city's big-thinking boosters began laying plans for a World's Fair that would leave behind a real convention center. Which it did—after $120 million or so in losses.

To be sure, some economic development did follow Landrieu's "exercise in optimism." It made the city a regular host of Super Bowls and helped lure the Republican convention this summer. But many economists, including Baade, attribute the downtown development that came to New Orleans in the late seventies to the oil boom, not the stadium. That development would have taken place anyway, they said. With the boom now bust, the city is hobbling along with an economic base as hapless as August is humid. The state's unemployment statistics topped even West Virginia's, and New Orleans boasts some of the nation's highest crime and illiteracy rates. So many residents are fleeing that U-Haul has had to hire drivers to bring home the trucks from one-way trips out.

And the dome hasn't brought baseball to the Bayou State either. In fact, the dome seemed to have *driven away* a team. The New Orleans Jazz basketball team left town because it couldn't afford the rent at the cavernous complex. Besides, the seats at the top were so high up that fans couldn't tell a double dribble from a foul shot.

►**The We-Ain't-Got-A-Team-Yet-But-Maybe-Someday Dome**: You can't blame cities for hoping that they can snag expansion teams or lure existing ones. But there's a difference between hope and blind faith. St. Petersburg, Florida broke ground for a projected $85 million baseball stadium despite a stern warning from Major League Baseball Commissioner Peter Ueberroth not to expect an expansion team to fill it any time soon. The city government says it has been assured by its marketing consultants that they can book up to 100 convention days per year until a team is either created or enticed. This despite the fact that St. Petersburg's hotels are already filled with vacationers during most of the convention season and that there is precious little room left for conventioneers. Plans for the Suncoast Dome are complicated further by a sports complex going up just across the bay in Tampa.

And what will San Antonio do? A group called San Antonians for a Domed Stadium (SADS) is pushing hard for a structure that they see bringing jobs and tourism. If they find someone to play in it, that is. San Antonio is a small market; the oil economy is in a bit of a fix. No wonder it seldom gets mentioned as an expansion prospect either for football or baseball. But Alamo Dome supporters fear that if they don't get on the stadium train now, it will leave without them. "This is a make-or-break year," SADS executive director Jim Eskin told *The Wall Street Journal*. "There is a footrace to get teams and if we don't get cracking, we'll fall further behind."

►**The-I'll-Move-If-You-Don't-Build-Me-A-Dome Dome**: The threat of losing a major league team cannot be taken lightly by any city leader who knows what happened to Brooklyn after the Dodgers left and has to fear that the same loss of sense of community and identity might occur if a similar calamity befell his city.

Jack Kent Cooke complains that Robert F.

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Kennedy Stadium is simply no longer adequate for his Redskins. Its seating capacity of 55,000 is not enough, he says, and it lacks the luxury sky boxes of more modern stadiums, where your true sports fan can lounge above the fray, isolated from the roar of the crowd but blessed with quadrophonic sound and a 25-inch Trinitron. Never mind that the Redskins have sold out every home game since 1966 and the waiting list for season tickets is 20,000 long. Never mind that since acquiring the team Cooke's capital appreciation from its stock has amounted to more than $50 million. When asked if taxpayers should finance the stadium, Cooke said, "I think that's the proper procedure."

The 74-year-old Cooke has recently taken a time out from planning his newest divorce from his 31-year-old wife of six months, and begun venturing out from his 641-acre estate to the D.C. suburbs. "Surely one of these communities will call out: 'By all means come live with us, come be our neighbor,'" he said at a banquet, and recently added ominously, "If the District of Columbia fails to build what the Redskins fans deserve, I have no other choice than to go to one of the surrounding counties." It seems certain that Washington's mayor, Marion Barry, will respond by building the stadium in the District and putting the city further in debt.

►**The I'll-Move-If-You-Do-Build-Me-A-Dome Dome**: Or the Hoosier Dome, as residents of Indianapolis call it. Under the energetic leadership of William Hudnut, the city's mayor, the $88 million Hoosier Dome was built without a commitment for a major team to play in it. Once the dome was ready, Hudnut enticed (some Baltimoreans would say "stole") the Colts from Baltimore. It didn't happen without a fight. Colts owner Robert Irsay flirted with other cities, including Jacksonville, Florida, a city much-dated by NFL owners but never married. The city's football-starved fans filled the 70,000 seats of the Gator Bowl on a weeknight, just to show Irsay they could do it. On a starry night, Irsay descended into the (domeless) stadium in a helicopter, waving at the throng that had turned out in one of the biggest displays of civic involvement ever seen in the city. He then skulked off to Indiana in the middle of the night.

Building the stadium was almost as hard as luring the team. The Hoosier Dome is a technological marvel with a fabric top kept aloft by columns of air. Not that there aren't a few kinks. The roof deflates if more than a few doors are opened at a time. And the pressure sends fans out the exits with 45-m.p.h. winds at their backs. Then there's the snow. A heavy hand on the snowmelt switch, according to *Smithsonian* magazine, can cost $250,000 by pushing electricity consumption to surge rate levels.

Though Indianapolis residents are celebrating their ceiling and their team, other cities may be gambling a lot of money foolishly if they think they can do the same thing. "Indianapolis was a great sports town and was well-known already," says Robert Bluthardt, chairman of the ballparks committee of the American Society for Baseball Research. "They had the Indy 500 and the Indianapolis Pacers. Plus, they were just plain lucky to get the Colts."

►**The Come-Back-Home Dome**: Hungry for revenge, Baltimore is setting out to do exactly the same thing to another city that was done to them. First, the city has announced plans to build its own $201 million dome complex and has set about aggressively courting a team. For a while it looked like it had a taker in Bill Bidwell, the owner of the St. Louis Cardinals, who had been complaining about Busch Stadium in particular and St. Louis in general. ("Bad sports town" was how he characterized the team's home for 52 years.) As city fathers prepared to ask taxpayers to dig deep for a new stadium, Bidwell openly began shopping elsewhere. Baltimore thought it had him snagged, but Bidwell's now leaning towards Phoenix, where plans for some kind of a Cactusdome seem likely to bloom.

►**The But-I-Just-Want-One Dome**: In most cities, spoiled owners threaten to pack up their teams and move if they don't get a new stadium, while government officials at least suggest that the old one is good enough. In Detroit, it's been working the other way around.

Mayor Coleman Young is angling for state financing to build a dome of his own to house the Detroit Tigers. If he doesn't get it, Young warns, the Tigers may leave town. But Tigers owner Tom Monaghan refused to read his lines in the script. He said he was perfectly willing to renovate Tiger Stadium at his own expense if only the city would sell it to him.

The fact that the Silverdome sits 30 miles up the road in Pontiac losing money seems to make no impression on Young. He has faith that a dome is essential to the revival of a city left burned out by riots and Toyotas. Now Monaghan, too, seems mesmerized by the mantra and has said that it might not be such a bad idea for the city to give him a new stadium after all.

►**The Win Dome**: What may turn out to be the most persuasive argument of all is that a covered stadium can lead to victory on the field below.

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Last year the Minnesota Twins's winning percentage on the road was .358, but it was .740 in the Metrodome, where the noise level during the World Series, according to those decible meters flashing on the television screen, was higher than those beside jets at the Minneapolis airport.

The case for the Win Dome is supported by scientific research recently published in the *Journal of the American Medical Association*. The study's authors, Stephen Vincent, a physician, and Thomas Hawkinson, an industrial hygienist, found that the Twins four-game sweep under the dome, while losing three outside in St. Louis, may have been "related to a fine motor and communication deficit that could have been caused by noise."

The noise, which was much louder—their report compared it to the sound of a jackhammer pounding concrete five feet away—when a Twin hit a ball than when a Cardinal did, meant that the skills of the Cardinal fielders were more likely to have been adversely affected by it.

Is there any hope for the sports fan whose enthusiasm for the sound of jackhammers and jet engines is restrained, who likes to see football and baseball played on grass and outdoors, and who does not want to see his city bankrupted by the costs of a domed stadium?

A glimmer. It's name is Joe Robbie. He is the owner of the Miami Dolphins football team who did not like the Orange Bowl, where his team had played for years. But instead of trying to con the city fathers into building a dome, he used private funds to construct a new stadium. There's real grass on the field and the fans have the joy of watching Dan Marino throw those long, spiraling touchdown passes in fresh air and under Florida sunshine. □

WHO'S WHO in the Administration

The quote of the month was from **Howard Baker** to **Thomas Griscom** and **Kenneth Duberstein**: "You guys have got to stop p------ on each other. I'm the one who's getting wet." Duberstein continues to lead in the war between the two, not only because he controls the paper flow, as we have reported, but because he has formed an alliance with **Nancy Reagan**....

Insiders say that **Michael Deaver**'s picture of Mrs. Reagan as more liberal than her husband is wrong. They say abortion is the only issue on which she has a more liberal opinion than the president and she keeps it to herself. When she appears more liberal, as in siding against **James Watt**, it is because Watt was getting the administration bad press, not because he is a conservative....

George Bush's campaign operation is getting a reputation for being bureaucratic in the extreme. The reason, according to former associates in the White House, is that its directors, **Lee Atwater** and **Craig Fuller**, are marginal talents....

Meanwhile the Dole campaign is having its own troubles. Since becoming its director in November, **William Brock** has gone abroad twice, once on private business and once for a personal vacation, while his leaderless minions in Texas were busy forging signatures to get Dole's name on the primary ballot.

According to his enemies, the story about Michael Deaver that didn't come out at the trial was the plot he formed while still at the White House to use his control over appointments to ambassadorships and to the staff of **Clayton Yeutter**, the U.S. trade representative, to forge a network of inside contacts for his future clients to use in solving their foreign trade problems. **Richard Burt**, Deaver's sponsored ambassador to West Germany, was supposed to be a key member of this network....

Government employees who must subsist on allowances that range from $60 if they're off to Owensboro, Kentucky to $136 for New York City when they travel on official business wonder how White House staff members manage to stay at places like the Crillon in Paris, the Waldorf in New York, and the Biltmore in Santa Barbara. In the case of foreign travel, the secret is that the State Department picks up the cost of the hotel so that the regular expense allowance is needed only for meals, taxis, etc. But we have not been able to find out how the game is played for domestic travel. We welcome clues from our readers.

In—*Commerce:* Deputy Secretary—**S. Bruce Smart.** *Defense:* Assistant Secretary, Production and Logistics—**Jack Katzen.** *Energy:* Assistant Secretary, Congressional and Public Affairs—**C. Anson Franklin.** *Health and Human Services:* Assistant Secretary, Human Development Services—**Sydney Olson.** *Treasury:* General Counsel—**Mark Sullivan.** *Agencies and Commissions:* Deputy Director, Operations, Central Intelligence Agency—**Richard F. Stolz.**

Out—*Agriculture:* Assistant Secretary, Natural Resources and Environment—**George S. Dunlop.** *Commerce:* Deputy Secretary—**Clarence J. Brown.** *Defense:* Under Secretary for Policy—**Fred C. Ikle.** *Justice:* Senior Special Assistant to the Attorney General and Chief of Staff—**John N. Richardson Jr.** *Labor:* Assistant Secretary, Employment and Training—**Roger Semerad.** *State:* Ambassador to Switzerland—**Faith Ryan Whittlesey.** *Transportation:* Assistant Secretary, Public Affairs—**Dale A. Petroskey.** *Agencies and Commissions:* Postmaster General, United States Postal Service—**Preston R. Tisch.**

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The Chesapeake Bay Goose Hunt, the Beautiful Secretary, and Other Ways the Defense Lobby Got the B-1

by Nick Kotz

After a 30-year struggle that overcame the opposition of several presidents, the Air Force is finally getting a new strategic bomber. In April, Rockwell International will deliver the last of 100 B-1 bombers to the Air Force.

The $28 billion project has been fraught with controversy throughout its long history. The Air Force has touted the sophisticated bomber, designed to fly at near supersonic speed at treetop level and penetrate deep into Soviet territory, as an essential part of the U.S. strategic nuclear deterrent. But critics have long contended that other weapons—such as planes firing long-range cruise missiles—make the B-1 unnecessary. Furthermore, technological flaws in the B-1 have cast doubts on the plane's ability to perform its mission.

The history of this costly and perhaps unneeded weapon illustrates the political, military, and economic forces that extend throughout our system of national defense. Too often, military decisions are based not on objective considerations of our national security needs but for other reasons—contracts for campaign contributions, jobs for constituents, or the parochial self-interests of one of the competing armed services.

The $28 billion spent on the B-1 and billions more spent earlier on research and development provided contracts to 5,200 companies in 48 states. As congressional skepticism toward the B-1 grew in the mid-1970s, the military and defense contractors grew expert at promoting the project on economic terms, forming a secret lobbying coalition run from the Pentagon.

While Congress debated the 1975 defense budget, a tight-knit group of Air Force officers and Rockwell International officials secretly plotted the battle tactics of defense politics. Working together from a Pentagon headquarters, they coordinated a sophisticated lobbying campaign designed to win continued approval of the B-1 bomber from an increasingly reluctant Congress. The meticulous, secretive—and ethically dubious—campaign became a model for future defense lobbying, including efforts to secure support for the C-5B transport plane and the MX missile.

In the trade, they called it "who's on who." It was a kind of matchmaking, pairing each member of Congress with the individuals or groups most likely to persuade that legislator to vote for continued funding of the bomber. The contact might be made by the chief Rockwell lobbyist in Washington, Ralph J. (Doc) Watson, by an Air Force officer such as Colonel Grant Miller,

Nick Kotz won a National Magazine Award in 1985 for his reporting on the military. This article is adapted from his book, Wild Blue Yonder: Money, Politics, and the B-1 Bomber, *to be published in March by Pantheon Books.*
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who worked full-time on the B-1's safe passage through Congress, by the president of the United Automobile Workers—or even by the president of the United States.

Conversations at the Pentagon meetings followed a predictable pattern:

"Who's on Baker?" Miller would ask. Howard Baker, a Republican senator from Tennessee, though not yet his party's Senate leader, needed lobbying.

"Kelly's got Baker," Watson would reply. Jack Kelly, a retired Air Force colonel, was the Washington lobbyist for Avco Corporation, which had a subcontract potentially worth $1 billion to build the B-1's wings at its Nashville plant. Avco officials were lobbying the entire Tennessee congressional delegation, whose members understood the importance the B-1 held for their state's economy.

A 150-member Pentagon staff answered queries for members of Congress, kept a file on their voting records and statements, supplied them with transportation for "official trips," kept them informed of projects in their districts—and of course worked assiduously to gain their votes for Air Force programs.

As lobbying assignments were made at the Pentagon meetings, the participants made careful notations on tally sheets spread out on the conference table. These scorecards also showed how each of the 100 senators and 435 representatives had voted on the B-1 in the past and how he or she was expected to vote in 1975. Special attention was focused on "swing votes" —uncommitted members whose votes might be swayed by the right argument or person. The "who's on who" assignments were recorded in code, lest the tally sheets fall into unfriendly hands. What emerged from the strategy meetings was an intricate—and highly questionable—lobbying network.

Sharing the wealth

Lobbying coalitions have long been an integral part of the Washington political system. What was unusual about the B-1 strategy meetings at the Pentagon was not only their sophistication but the participants themselves. Military officers are forbidden by law from lobbying Congress, not to mention doing so in coordination with the defense industry.

The Air Force worked with the defense contractors with cavalier disregard for Title 18 of the U.S. Code, the statute that specifically prohibits officials of the executive branch from lobbying the Congress. Title 18 is often ignored by members of the executive branch, which is worrisome in itself. But when military officers ignore it, the offense is compounded: the military is supposed to obey civilian authority and stay out of politics.

The Air Force-Rockwell coalition developed into a formal apparatus in direct reaction—and direct proportion—to the growing congressional threat during the early 1970s. On August 3, 1973, the Senate Armed Services Committee cut $100 million from the B-1 funds requested by the Air Force, expressly to indicate "the committee's dissatisfaction and serious concern regarding the management of this program."

The Air Force and industry regarded the congressional slap as the worst kind of "micromanagement." Without warning, a multibillion-dollar weapon program could be thrown off track by policies changed in the annual congressional authorization and appropriation process.

Congressional opposition grew more vocal and better organized in 1974. In the Senate, George McGovern won 31 votes for an amendment that would have cut the B-1's development appropriation by 50 percent. A House amendment to kill the plane outright, though, was defeated 309 to 94. Although those were wide margins of defeat for the opponents, the Air Force-Rockwell coalition perceived them as ominous challenges to the safe establishment that had conducted defense business in Congress up until then.

After the Vietnam war and the disgrace of Watergate, Congress more strongly asserted its will on defense issues against the presidency and the Pentagon. Antiwar sentiment and antimilitary bias swelled into powerful currents in the country during the middle 1970s.

Institutional change also had overtaken some old congressional procedures. Powerful, autocratic committee chairmen (mostly southern conservatives who had been generous to the military) could no longer automatically impose their will on a military contract. Reformers in the Democratic party had punctured the seniority system and managed to oust several committee chairmen, including Democratic Rep. F. Edward Hebert, chairman of the House Armed Services Committee.

These reforms made it harder for the defense industry to gain approval for its programs. Once the power of committee chairmen was curbed, defense contractors and the military services needed the support of many more members of

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Photo by Ron Hall

Ralph J. "Doc" Watson, chief Rockwell lobbyist, with Tip O'Neill, former Speaker of the House.

Congress. As power in Congress fragmented, many members scrambled to get a share of defense contracts and bases for their constituents, just as they had traditionally sought dams and highways. The national interest was served no better in this mad scramble for military assets than it had been when one autocrat called the shots.

Rockwell executives foresaw this decentralization of congressional power back in the 1960s. They realized that broad congressional support would be needed to sustain huge defense programs. Building a broad base of support entailed spreading the subcontracts around the country to make sure that enough constituencies had a direct stake in a given weapons system. By the 1960s, Rockwell had established a division for advanced systems planning. This division tried to predict economic, political, and social trends in order to judge if various defense projects were viable. Deciding how and where to subcontract the work was a politically crucial part of planning a vast project like the B-1.

Both Rockwell and the Air Force sought to broaden B-1 support through subcontracts. For example, Rockwell contracted with the LTV Corporation of Fort Worth to build parts of the fuselage, even though they could easily have been made in Rockwell's own factories. A hefty subcontract would sway the large Texas congressional delegation, whose members included John Tower, an influential Republican on the Senate Armed Services Committee and then Democratic House

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Majority Leader Jim Wright of Fort Worth.

The Air Force itself chose Seattle's Boeing Company to develop the hi-tech electronic systems that guide the plane and its weapons. Boeing had lost the prime B-1 contract to Rockwell, and the Air Force wanted to mollify the two influential senators from Washington state—also known as "the senators from Boeing": Henry "Scoop" Jackson, a power on the Armed Services Committee, and Warren Magnuson, chairman of the Senate Appropriations Committee.

By the time initial subcontracts were awarded most of the nation's 435 congressional districts had them. Most of those contracts involved only one or two hundred jobs, but for many local economies those jobs were very important. And local leaders let their congressmen know it.

Although politics guided some subcontracting decisions, it didn't guide them all. A project of the magnitude and complexity of the B-1 demanded a diversity of highly specialized skills not available at a single company. Costs, skills, and production schedules entered into these decisions. But politics did too. "It paid not to be greedy," explained a Rockwell executive. "We made money on the subcontracts too." The result was a wide geographic distribution of jobs, a broad basis for skillful lobbying.

But there was a price to pay. Spreading the work around always complicated the logistics of building a weapon, and sometimes it compromised the quality.

Selling Akron

The floor debates on the B-1 in 1975 focused on military and strategic considerations. Was an expensive, new, penetrating bomber needed as part of the nuclear deterrent? Or was a standoff plane firing long-range cruise missiles the answer? The discussion was all very reasonable and responsible and serious.

But in the lobbying behind the scenes, the issue was jobs. The Air Force and Rockwell tried to turn a principal B-1 liability—its stupendous cost—into a national economic asset. Rockwell and its subcontractors bombarded Capitol Hill with statistics showing that the B-1 provided an economic bonanza for the entire nation—not just the districts where the plane was being built. Rockwell's carefully biased analysis sought to demonstrate that a $15 billion investment in the B-1 would add $41.4 billion to the gross national product and produce 69,300 aerospace jobs and 122,700 jobs in supporting services. These 192,000 jobs would produce $28.6 billion in personal income after taxes, and the $13 billion in taxes on that income would reduce the fanciful bottom line from $15 billion to a mere $2 billion "investment for national security."

Rockwell lobbyists trotted out these figures for each state and congressional district. To counter Rep. John Seiberling from Akron, Ohio, one of the most knowledgeable and articulate B-1 opponents in the House, Rockwell's John Rane sent a brochure to Akron business and civic groups. Building the B-1 would create $60 million worth of new business in Ohio's 14th congressional district, the brochure stated: this new business would generate $133 million in disposable income after taxes. "In other words," the Rockwell pitch concluded, "you don't have to 'cut metal' on the B-1 in order to benefit from it."

That the health of the American economy somehow depended in part on large defense expenditures had been taken for granted by many politicians ever since World War II. But in the mid-1970s some congressmen began to contest that doctrine. To prove their case, congressmen like Seiberling and their economic advisers took Rockwell's data and stood them on their head.

Seiberling did his own economic study, which concluded that while his Ohio constituents paid $84 million in taxes for the B-1, they received only $70 million of benefits in return. An infusion of defense dollars in Akron was not the answer, he maintained. The solution instead was to spend those dollars to create jobs that produced goods the society could really use.

The Public Interest Research Group at the University of Michigan challenged the benefits to the economy of defense spending. In a study called *The Empty Pork Barrel*, the Michigan analysis showed that spending for weapons procurement, a capital-intensive enterprise, produced 55,000 jobs for each $1 billion spent. However, public-sector spending on a mix of construction, public works, services, and manufacturing produced 65,000 jobs per $1 billion. In this kind of analysis, each additional $1 billion in defense spending meant a net loss of 10,000 jobs.

Those who made the liberal case for conversion to a peacetime economy were mocked by the bomber's supporters. As Gerry Whipple, the UAW's tough-talking western regional vice-president, put it, "California has been built on food, defense, and oil. You can't expect us to convert into industries for garbage disposal or cheap houses. . . .The people making the B-1 bomber

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A hunting trip or a campaign contribution was not a chip to be exchanged automatically for a contract or a favorable vote. But members of the club helped each other when they could.

think they're working for the good of the community, and people have pride in it." His sentiments were widely shared. Neither Congress nor the country would in fact divert billions from the B-1 to build mass-transit systems, fund health-care programs, or improve public schools.

Doc and Johnny show

Preparing for the 1975 congressional fight, Rockwell and Air Force lobbyists armed themselves with meticulous lists of every B-1 subcontract location, cross-referenced by state, town, and congressional district. The studies, prepared both by Rockwell and by the Air Force comptroller's office, showed how many dollars of B-1 money flowed into a congressional district each month. This information allowed the lobbyists to show members of Congress down to the last dollar how their constituents benefited from the B-1. The data became even more potent as subcontractors, mayors, and union leaders were enlisted to lobby their members of Congress.

Doc Watson headed the Rockwell group. A World War II fighter-pilot ace who joined Rockwell after retiring from the Air Force as a colonel, Watson was a Capitol Hill fixture. A small, jaunty man with an ear for a good story, he befriended congressmen and kept them ready to hear Rockwell's case for its defense projects. John Rane, a Rockwell aeronautical engineer, helped Watson keep members of Congress up to date on the technical status of Rockwell projects. They proudly called their team the "Doc and Johnny show."

Genevieve (Ginger) Allen, a young Mississippian who had joined Watson as a secretary, soon proved a bright and shrewd addition to the lobbying team. Watson felt that her beauty enhanced luncheon and dinner meetings with congressmen.

Whenever a critical congressional vote was on the agenda, Bastian (Buz) Hello flew in from California to attend the Pentagon strategy sessions and direct Rockwell's lobbying activities. Hello, Rockwell's B-1 program manager, impressed the members with his low-key manner and total command of the details of the B-1. If he needed more clout, he could ask Rockwell president, Robert Anderson, or chairman of the board, Willard Rockwell Jr., to call members of Congress, the president, or the secretary of defense.

The Air Force side of the lobbying coalition was directed by Lt. General Marion Boswell, the assistant vice chief of staff. Colonel Grant Miller, an attorney who spoke with an Oklahoma twang, led the Air Force's B-1 drive on Capitol Hill. He targeted key votes and directed day-to-day strategy. At the Pentagon, Miller operated out of a special office across the hall from General David Jones, the Air Force chief of staff. With an easygoing, folksy manner, he befriended not only the B-1's congressional advocates but its leading opponents as well. That way, he kept well informed, and he kept his political lines open.

The Pentagon lobbying meetings were sometimes attended by John Gray, a staff representative of the Air Force Association, a powerful nationwide organization of active and retired Air Force personnel and other defense supporters. As a nonprofit educational group, the association is technically prohibited from lobbying. But through its local chapters, it could encourage its 250,000 members to support the B-1 bomber.

One of Colonel Miller's first actions in 1975 was to do some research at the U.S. Department of Labor to find out which labor unions worked on the various B-1 contracts and how many union jobs were at stake. He soon knew exactly how many members of two major labor unions—the United Automobile Workers and the International Association of Machinists—worked in each B-1 plant.

At Miller's suggestion, Air Force Chief of Staff

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Jones met with the unions' presidents, Leonard Woodcock of the Autoworkers and Floyd (Red) Smith of the Machinists. General Jones carefully stressed the need for the B-1 to modernize the U.S. strategic deterrent. But the union chiefs clearly understood the job implications as well—both ordered their unions to join forces with the Air Force-Rockwell lobbying coalition. Union support was vital, especially in influencing the liberal congressional Democrats most likely to oppose the bomber. Woodcock also ordered the UAW to quit a liberal coalition opposing the B-1—with the auto industry in trouble, aerospace jobs became all the more important.

The Air Force made lobbying assignments for government officials, generals, members of the Air Force Association, and cooperative members of Congress. Rockwell organized the other contractors who worked on the B-1. Company lobbyists in Washington held breakfast meetings at the Army-Navy Club on Farragut Square with representatives of such major B-1 subcontractors as Boeing, General Electric, Avco, Eaton, AIL, Sunstrand, LTV, Westinghouse, Goodyear Aerospace, and IBM, along with lobbyists from the United Auto Workers and the Machinists. At these sessions the participants decided which company would contact which congressmen. General Electric, with its huge engine plant in Ohio, focused on that state's delegation. LTV concentrated on the Texans. The AiResearch division of Garrett Corporation, which made the central air-data computer, focused on Arizona congressmen. AIL, which would make the systems that detect and jam enemy radar, lobbied the New York congressional delegation. Sunstrand Corporation of Rockford, which made the rudder control systems, concentrated on Illinois congressmen. The Harris Corporation, which made the electrical wiring system, contacted Florida congressmen. Sanders Electronics lobbied New Hampshire members. In addition, Rockwell brought to Washington the managers of its 167 local plants to lobby their elected representatives.

The Air Force even assigned a high-ranking general, Maj. Gen. James Allen, to work full-time promoting the B-1. He directed a speakers' bureau, which booked B-1 proponents to speak in states or districts represented by congressmen hostile to the B-1. Air Force officers would appear at a meeting of a local Chamber of Commerce or Air Force Association chapter to explain the B-1's importance to national security—and to the local economy. Sometimes the speaker also pointed out when the local congressman or senator had not been supportive. At a meeting of the New Hampshire chapter of the Air Force Association, an officer spoke both about the virtues of the B-1 and about Senator Thomas McIntyre's equivocal support for it.

Weekend duck hunting

Rockwell supplemented its Washington lobbying with a secret grass-roots campaign codenamed Operation Common Sense. James Daniell, a marketing vice-president in Rockwell's Pittsburgh office, directed the comprehensive promotional scheme. A onetime football star at Ohio State and World War II hero, Daniell was a dynamic booster who saw little difference between marketing a bomber and promoting a consumer product. His program included a massive letter-writing campaign by workers at Rockwell's 167 plants, solicitation of support from national organizations such as the Veterans of Foreign Wars and the American Legion, and production of films and advertisements as well as articles that willing editors could print in newspapers and magazines.

Daniell came to Washington to chair the monthly meetings of Operation Common Sense in the conference room of Rockwell's Washington offices on Pennsylvania Avenue. Participants worked on such disparate projects as soliciting the support of the National Council of Jewish Women and countering the promotional efforts of Rockwell's aerospace rivals who opposed penetration bombers like the B-1 in favor of "standoff" bombers that fired cruise missiles from long distances. The committee financed a thinly veiled B-1 promotional film, *The Threat: What One Can Do*, and paid a $39,350 consulting fee to *Washington Alert*, a newsletter edited by news personality Martha Rountree, who wrote glowingly of the B-1's virtues.

Daniell's efforts went beyond Operation Common Sense. As a fishing and hunting companion of Chairman of the Board Rockwell, Daniell persuaded him to expand the lavish hospitality the company routinely provided for its favored commercial customers to include members of Congress, high-ranking military officers, and administration officials. Daniell and lobbyist Doc Watson coordinated the hospitality at four company retreats: a fishing complex at North Bimini Island in the Bahamas for winter weekends; a hunting plantation called Pinebloom near Albany, Georgia; a leased hunting lodge with 24 duck blinds on Wye Island in the Chesapeake Bay

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near Washington, D.C.; and Nemacolin, Willard Rockwell's own hideaway resort, complete with trout fishing, near Farmington, Pennsylvania. Many congressmen accepted invitations to these idyllic spots; so did top Pentagon officials such as Admiral Thomas Moorer, chairman of the Joint Chiefs of Staff, and Malcolm Currie, who as the Pentagon's director of defense research and engineering held authority over B-1 development.

Doc Watson and John Rane also kept busy in Washington. In one three-month period in 1974 they entertained or called on 155 members of Congress. When House Minority Leader Gerald Ford (soon to be president) needed rush transportation for a speech in Michigan and back to Washington the same night, Doc Watson commandeered a Rockwell plane for him.

A hunting trip or a campaign contribution was not a chip to be exchanged automatically for a contract or a favorable vote. Members of the club helped each other when they could, as others do in many fields of special-interest politics. They saw themselves as patriots, in general alliance against politicians they regarded as dangerous or misguided—McGovern, Seiberling, and others whom they thought underestimated the Soviet threat and would disarm the country.

The fellowship of weekend duck hunting was a form of friendship. Doc Watson and Massachusetts Rep. Silvio Conte, ranking Republican member on the House Defense Appropriations Subcommittee, for example, were friends with strong common bonds. Conte helped Rockwell and often enjoyed the company's hospitality, including one Wye Island excursion in which he shot a prize buck deer. But there came a time when Conte told Watson that constituent pressure would no longer permit him to vote for the B-1. Despite strong disapproval from his superiors in Pittsburgh, Watson kept Conte on the Rockwell hospitality roster.

Like hundreds of other corporations, Rockwell took advantage of a 1974 campaign financing law intended to promote reform. The new law made it legal for corporations to run political action committees (PACs) with money volunteered by employees. In short order, Rockwell was contributing more than $100,000 in an election year to candidates who could best help the corporation's defense business.

Rockwell's promotional, entertainment, and campaign contribution schemes were still gaining steam in 1975, when some of the strategies began to backfire. Rockwell's "grass-roots" letter-writing campaign, for example, turned out to be a little too well organized and orchestrated. Rep. Les Aspin, a Wisconsin Democrat, was besieged with 300 pro-B-1 letters from workers. They were written on five different colors of stationery but were nearly identical in content. Aspin's staff finally traced the letter-writing campaign to an Admiral television plant in Harvard, Illinois, just across the border from his congressional district. Admiral had no part at all in the B-1, it just happened to be a subsidiary of Rockwell. One Admiral letter-writer handed the B-1 opponents a golden postscript: "I've been asked to do this," the Admiral worker wrote to Aspin. "Vote any way you want."

Rockwell's hard-nosed congressional lobbying, based almost exclusively on jobs, seemed heavy-handed—even to the Air Force. General Boswell admonished his associates that the B-1 had to be sold primarily on its defense merits. The assumption that a few jobs back home could change their minds on an important national defense issue offended some congressmen. For example, Rep. Thomas Downey, a Long Island Democrat elected in the anti-Vietnam, anti-Watergate class of 1974, resented the lobbying by a dozen Long Island firms with a piece of the B-1 action: "They figured if they built the windshield blades in your district, you were for it." Downey supported most of the large defense contracts helping his constituents, but not the B-1.

Getting Nunn

As the B-1 appropriations approached a vote in June 1975, Rockwell and the Air Force worried about a rebellion among Senate Democrats. Senators Alan Cranston and John Tunney of California took the lead in advocating production of the B-1, which would provide thousands of jobs in their state. But the Air Force did not consider them effective advocates, fearing that their self-interest and their reputations as doctrinaire antidefense liberals would weaken their credibility. If the Democratic majority in the Senate was to be convinced that the bomber deserved support on its merits, more credible leadership was needed.

The lobbying coalition took aim at two influential Democratic senators: John Glenn of Ohio, whose defense pronouncements carried the weight of his experience and celebrity as a Marine pilot and astronaut, and Sam Nunn, a member of the Senate Armed Services Committee, with a growing reputation as a military expert. Neither had committed himself to support the B-1. If they

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Lobbying coalitions have long been an integral part of the Washington political system. But the B-1 effort was different. Military officers are forbidden by law from lobbying Congress, not to mention doing so in coordination with the defense industry.

turned against the project, others were likely to follow.

To influence Glenn, the Air Force and Rockwell first called on all the obvious assets. Glenn was lobbied hard by the United Automobile Workers and by executives and union officials from General Electric, which was manufacturing the B-1's engines outside Cincinnati. GE was the largest employer in Ohio, and the UAW was among Glenn's major supporters. Rockwell further enticed him by assigning B-1 work to a long-idle plant in Columbus. Despite these overtures, however, Glenn would not commit himself.

The key to convincing Glenn came from a legislative aide, who told Air Force and Rockwell lobbyists that Glenn did not think the B-1 bomber was necessary as part of the strategic nuclear deterrent—but that he did believe strongly in the need for a new bomber to fight in a conventional war.

This information threw the Air Force into a dilemma. Some officers privately agreed with Glenn, but the leadership, dominated by the Strategic Air Command, scorned the notion that their $100 million superbomber would be part of the conventional fighting force—that would be like hitching a thoroughbred to a milk wagon. It had no plans even to install racks for conventional bombs in the B-1.

Nevertheless, the Air Force decided to pay lip service to Glenn's ideas. General Russell E. Dougherty, the SAC commander in 1975, sent his deputy, General Kelly Burke, to assure Glenn of SAC's "strong interest" in conventional bombing. Glenn wanted more than interest. He asked for a written commitment that the B-1 would be equipped to carry conventional bombs. On the eve of the Senate vote, Air Force aides hand-carried a letter to Glenn from Secretary of Defense James Schlesinger promising that the B-1s eventually would be outfitted for conventional non-nuclear bombing. After reading Schlesinger's letter aloud on the Senate floor, Glenn finally cast his vote for the B-1. Yet one Air Force general later said, "There was no damn way we were going to risk losing a $100 million strategic asset in some conventional shootout. But if the senator wanted us to say we'd do that, we were ready to oblige him."

Georgia Senator Nunn presented a more puzzling problem. Although a strong military supporter, he remained noncommittal on the B-1. On previous occasions the Air Force had been able to appeal to Nunn's parochial interest for weapons built by Lockheed or Martin Marietta; those aerospace giants were major employers in Georgia. But little B-1 work was being done in the state.

The lobbying coalition tried to influence Nunn through Dr. Daniel Callahan, a Georgia friend. Callahan practiced medicine in Warner Robins, Georgia, home of Robins Air Force Base. As president of the mid-Georgia chapter of the Air Force Association, Callahan encouraged his four thousand members with the motto: "Every day in middle Georgia is Air Force Appreciation Day." When Callahan urged Nunn to support the B-1, the senator knew that the doctor spoke for a formidable advocacy group—one concerned not only about the Air Force but about the health of its area's major economic resource, the giant base that provided 20,000 jobs and a $450 million annual payroll. Senator Nunn finally cast his vote for the B-1.

In the end, the 1975 effort to kill the B-1 in the Senate, led by Senator McGovern and Senator William Proxmire of Wisconsin, failed by a vote of 57 to 32. A similar effort in the House failed too, although a motion by Rep. Les Aspin to eliminate preproduction funding for the bomber collected a surprising 164 votes.

At about this time General Boswell told Air Force lobbyists to get rid of the records of their well-coordinated campaign of "who's on who"

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with an emphasis on B-1-created jobs. They did. In addition to general questions of propriety, Air Force leaders suspected that Senator Proxmire, the scourge of the military, soon would expose the whole lobbying plan.

Within a few months, Proxmire had a field day as a muckraker. At a Senate hearing, he cross-examined Rockwell President Anderson about the company's secret campaign contributions to Richard Nixon in 1972; about the Operation Common Sense grass-roots lobbying blitz; about free winter vacations taken by Pentagon officials on Bimini in 1974; and about the Chesapeake Bay hunting weekends enjoyed by the Pentagon sportsmen, when Rockwell not only provided accommodations but took care of cleaning and dressing the geese.

Proxmire disclosed that the Pentagon's Defense Contract Audit Agency had disallowed $183,435 in Rockwell lobbying expenses and another $143,947 in entertainment expenses for the years 1974 and 1975. A later audit showed $653,000 in disallowed lobbying expenses, including $115,895 for Operation Common Sense and a "Keep the B-1 Sold" public-relations campaign, plus $83,645 in "military relations costs" for sending speakers around the country. Rockwell had charged all these expenses to the taxpayer as part of the costs incurred in building the B-1.

After being grilled by Proxmire and subjected to embarrassing newspaper headlines, Anderson testily asked Doc Watson, "Are you still proud of your duck blinds [on Wye Island]?"

"Well," replied Watson, ever the Washington pragmatist, "we got the B-1 and the space-shuttle contracts, and we've made a lot of friends."

High stakes

When Rockwell's Doc Watson and other members of the B-1 lobbying coalition retired, their places were quickly filled by other capable industry and military representatives who carried on the fight for the bomber.

The ultimate success of the B-1 network derived in part from the professional knowledge of its lobbyists, and from their friendships with members of Congress. The cause was helped by rewarding supportive congressmen with campaign contributions. But the ultimate power of the B-1 coalition rested upon deeply rooted, permanent interests, in which many people and institutions held high stakes.

For the Air Force, a new strategic bomber represented the heart of that service's military doctrine—that wars could be won by devastating enemies with long-range strategic airpower. The Air Force won its independence from the Army in 1946 on the basis of its unique ability to accomplish this mission. Without a new bomber, the proud Air Force's strategic role would be reduced to that of pushing buttons in the bottom of missile silos. A succession of Air Force leaders persisted in fighting for the prestigious B-1, even at the cost of sacrificing other vital air needs, such as planes to provide transportation and close support to troops on the battlefield.

For Rockwell International, the bomber held the fate of its North American Aviation division for nearly three decades. Success offered hundreds of millions in profits. Defeat meant bankruptcy.

And for communities throughout the country, the bomber project represented the promise of prosperity—and the fear of economic stagnation. With thousands of jobs at stake in building the bomber or serving as its home bases, dozens of local communities never wavered in their grass-roots political support.

This permanent B-1 constituency persisted even through periods of political adversity. In 1977, President Jimmy Carter fulfilled a campaign pledge to cancel production of the B-1, saying it was unneeded and a waste of money. Despite Carter's opposition and often acting without his knowledge, the B-1's friends in the Defense Department, Air Force, Congress, and industry nevertheless managed to keep the project alive with research money from 1977 through 1980—awaiting the results of the next election.

Fulfilling his own campaign promises, Ronald Reagan revived the B-1 in 1981, despite Defense Secretary Caspar Weinberger's preference to bypass it for an even more sophisticated bomber called the Stealth. Reagan approved the Air Force's request to build both bombers.

Broad-based Air Force and industry lobbying drives, similar to those behind the B-1, are now underway on behalf of the top-secret Stealth bomber and the Strategic Defense Initiative. Both Stealth and SDI are beset with problems—soaring costs, huge technological and military uncertainties, and a national budget deficit that is requiring cutbacks in the defense budget. Supporters of both programs are prepared to wage long, difficult, political fights before these projects finally come to fruition. If the history of the B-1 foretells the future, they will stay the course and prevail. □

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TIDBITS AND OUTRAGES

NEITHER SNOW NOR RAIN NOR OLD LADIES IN DANGER

A mail carrier who injured himself by stopping a rolling car from running over an elderly woman received a reprimand by the Postal Service for engaging in "an unsafe act resulting in personal injury."

"TAKE A LONG MARCH AND A COLD SHOWER, YOU'LL FEEL BETTER."

In China, the Communist Youth League in Guangzhou has set up a special telephone hotline to advise 300,000 secondary school students on romantic relationships.

GREAT MOMENTS IN MORAL EQUIVALENCE

Walter Fauntroy, Washington D.C.'s delegate to Congress and an advocate of granting statehood to the District of Columbia recently said: "Even the flawed system of the Soviet government embraces the citizens of Moscow with an equality that the U.S. denies to every Washingtonian."

REACHED FOR COMMENT AT HIS NEW POST IN THE SOUTH BRONX

An IRS trainee mistakenly put a tax lien on President Reagan's ranch.

CAT BURGLAR

In California, police report that there has been an upsurge in the burglaries of Garfield toy cats from automobiles.

A FORMER NASA INSPECTOR, THE SUPERVISOR WAS UNAVAILABLE FOR COMMENT

A report released by GPU Corp., which owns the Three Mile Island power plant, concluded that one of the shift's supervisors "repeatedly fell asleep, 'nodded off,' and otherwise displayed inattentiveness."

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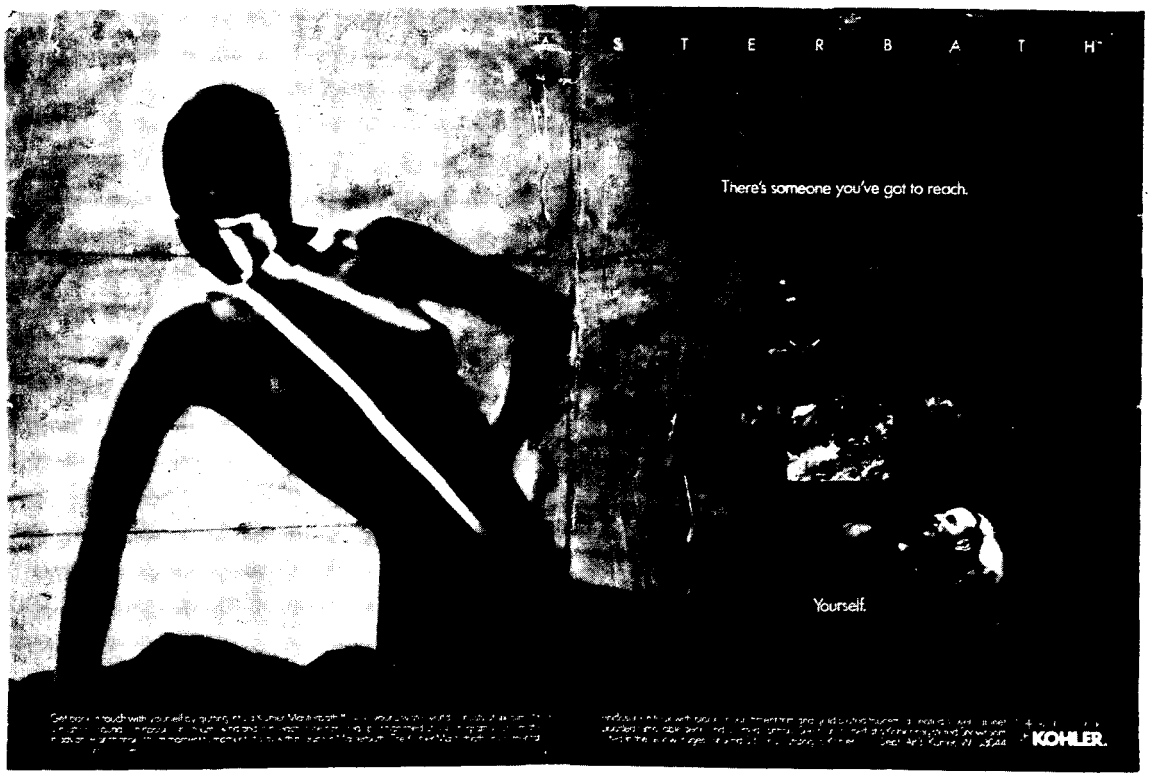

(advertisement for Kohler Masterbath from *Time*, 3/16/87)

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It was Gary and Billy, not Gary and Donna

Photopress

The *Real* Monkey Business

by Liz Galtney

Billy Broadhurst's 15 minutes of fame began May 2, 1987, the night *The Miami Herald* staked out Gary Hart's townhouse. While Hart took only a few questions before retreating inside, the Louisiana lobbyist tracked down the *Herald* reporters to set the story straight. But Broadhurst, a political associate and close friend to Edwin Edwards, the Louisiana governor who was investigated by seven grand juries, was unable to wring the story from the headlines. By the end of the week, it seemed as if he was a line in every article, op-ed, and soundbite as the press pored over the itinerary of the trip he had arranged for Hart and a couple of friends to take to Bimini.

But that's about all America saw of Billy Broadhurst. While reporters have tailored their inquiries to Hart's womanizing, little has been said about the man Hart met through a political consultant in 1984 and came to know as a close friend and campaign adviser. "A fine, upstanding citizen," Hart said of Broadhurst last September, describing the man with whom he had taken vacations and put on his national finance board. For his part, Edwin Edwards spoke differently of his former law partner and close friend, telling a state senator: "Billy was more careful when he was pimping for me."

Among Louisiana politicos, Broadhurst is notorious as a lobbyist's lobbyist, having parlayed his close ties to Edwards into a lucrative law practice. During Edwards's reign, the state's major interests—gas, oil, minerals—became Broadhurst's. Those ties proved useful outside Louisiana, too. His clout and his connections made him important to Hart and his debt-ridden campaign. Around campaign headquarters, Broadhurst's reputation as a man who could tap campaign donors earned him the title of "Mr. Deep Pockets." The two were close enough, recalled

Liz Galtney is a reporter with United Press International in Austin, Texas.

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former Hart adviser Peter Tauber in an article in *The New York Times Magazine*, that when he asked for a moment alone with Hart, the candidate said, "This is alone," pointing to Broadhurst, his wife, and two other aides. Looking back on Broadhurst's career and his closeness to Hart, it becomes clear that the real monkey business had nothing to do with Donna Rice.

The bayou connection

The path that took Broadhurst to the Hart campaign began in Crowley, Louisiana in the heart of Acadia, the oil-gas-and-gumbo region that is home to Louisiana's Cajuns. In 1963, this son of an established accountant and graduate of Louisiana State University Law School took a job with one of the town's most prominent lawyers, Edwin Edwards, his senior by a dozen years.

As close as they were and as close as they've stayed, they have different personalities, say those who know them. One of Edwards's favorite quips is "laissez les bontemps roulez" —let the good times roll. While Broadhurst also became known for the way he wined and dined people—not just in Bimini but in Baton Rouge, where he threw an annual crawfish and duck luncheon for state capitol reporters—he came by his partying less naturally than his senior, Edwards. "He's whatever he needs to be at the time," said one lawyer who knows him.

Over the next decade the two of them, along with Edwin's brother Nolan, built a business as Edwin built a political career, rising from the Crowley city council to Congress. By 1972, Edwin Edwards was governor, and Broadhurst was on his way to building his own practice, never straying far from his mentor.

"I'd put him in the category of five people who were closest to the governor," says Bob d'Hemecourt, former head of Edwards's New Orleans office and a Hart delegate in 1984. "You can't get any closer than that five. Billy got to see Edwin as much as he wanted." He clearly envisioned having the same access to Hart. A frequent visitor to the Louisiana governor's mansion who is close to Edwards says that when he ran into Broadhurst, "He told me that I should support Hart because [Broadhurst] was going to be one of three people I would have to go through to see the president."

Throughout Edwards's terms of office (from 1972-1980 and 1984 through March 1988), Broadhurst's clout wasn't codified in prestigious government titles but in more mundane lines on his resume like "chairman of the ad hoc committee preparing the rules and regulations for the reclamation of lignite." It was these obscure but important assignments that made him a man for the state's energy interests to know and that bolstered the fortunes of his law firm. According to the New Orleans *Times-Picayune*, in 1979, Broadhurst's firm was awarded $585,500 in state contracts to represent indigents, more than any other firm. In 1986, Broadhurst scored another win. Edwards's appointees in the Department of Natural Resources gave his firm's Washington office a $95,000 contract that had been awarded to the firm of Washington lobbyist Tommy Boggs, son of Hale Boggs, the deceased Louisiana congressman and House Majority Leader.

And Broadhurst's stock rose on the basis of a less formal title—close friend of the governor. It was those ties that bolstered the fortunes of Broadhurst, Brook, Mangham & Hardy, a 40-attorney firm whose offices spread from the Cajun town of Lafayette to Baton Rouge to New Orleans and finally to Washington, and absorbed other power brokers, like Ernest "Dutch" Morial, the mayor of New Orleans, before being reorganized following the Hart scandal. (Clients include AT&T, Dow Chemical, Exxon, and Allstate.) When New Orleans bankers sought passage of important interstate banking legislation, they turned to Hart's friend, known as "Billy B." "Edwards suggested that we hire Broadhurst," said a source involved with the effort. "Broadhurst was hired due to the governor's power over the legislature. We hired him because if Edwards hadn't supported the bills, they might not have passed."

The black smoke

While Hart portrays himself as an impassioned environmentalist, his confidant, Broadhurst, is not exactly the president of the Sierra Club. In a state with some of the highest cancer rates in the nation, where the stretch of the Mississippi River between Baton Rouge and New Orleans is dubbed the "chemical corridor," Broadhurst was known for taking on controversial cases on behalf of hazardous waste, oil, and gas interests.

Most infamous was his defense of Rollins Environmental Services, Inc., a Delaware-based toxic waste company with a plant in the town of Alsen, just north of Baton Rouge. In August 1985, the plant was shut down by Pat Norton, then head of Louisiana's Department of Environmental

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Quality. For years, residents had complained to state officials about Rollins, and Norton, seeing the black smoke and smelling the noxious odors during a late night surprise visit to the plant, became convinced that they had cause for alarm.

The shutdown set off a skirmish within the state government as Governor Edwards sided with Rollins, a Broadhurst client, and stood his ground against his own environmental boss.

"I was called to the mansion where the governor told me he didn't think I was on very good legal ground," said Norton, the environmental quality chief. "I felt like I was being threatened at that point because I was told by the governor. . .and the Rollins people that it was a stupid risk to try to close down the facility." For Norton, it seemed to be another Broadhurst problem. The day after she was appointed department secretary, she said, "Broadhurst called me and told me who the governor had picked for my staff since they weren't going to let me do it." Norton recalled, too, that, "Edwards never called to help out a neighborhood or a community. . . .The only time he called me was to help out Bill Broadhurst, or somebody like that."

The Rollins plant reopened some three months later, under a court order won by Broadhurst's firm. In December, Edwards assigned John Koury, a gubernatorial appointee in the Department of Environmental Quality, to be the state hearing officer in the case. Koury essentially acted as an administrative judge. He found the conglomerate guilty of two out of 44 potential environmental violations. He levied a $15,000 fine, which he waived when Rollins agreed to install an air conditioning system in a nearby community center. After Norton publicly criticized Edwards's handling of Rollins and other environmental isssues, the governor fired her.

It was a triumph for Broadhurst. When reporters asked Edwards if Broadhurst had pushed Norton's firing, the governor said "no," but added, "Billy kidded me a few months ago that Pat Norton made him a rich lawyer."

Was there much to the charges against Rollins? Was Broadhurst just helping out a company that got a raw deal? Two months later, Attorney General Billy Guste, an elected official not beholden to Edwards, appealed the decision handed down by the governor's officer. He won a settlement that added up to a bit more than a new air conditioner: a $1.25 million fine and an agreement that Rollins would spend $5 million on cleanup. It was the largest fine assessed a polluter in the history of Louisiana, says John Shepphard, an assistant attorney general. He says of Broadhurst's client: "Probably no other company—and may I remind you that Louisiana is full of chemical plants—probably no other company had been the source of more citizens' complaints than Rollins was," he said. "The community had literally been up in arms for years."

The Texaco treatment

Broadhurst also made deals with Texaco, the largest lessee of state lands in Louisiana. Shortly before his second term as governor ended in 1980, Edwards appointed Broadhurst to lead the state's legal claim that Texaco cheated Louisiana out of $500 million in royalties due from gas drawn on public lands. The suit even sought cancellation of Texaco's lease agreements with the state.

At first, Broadhurst beat the drums, charging in a report that Texaco was "profiting at the state's expense" and accusing it of depriving Louisianians of "enormous sums of royalties." But Broadhurst eventually settled for much less, accepting a $28 million payment to the Louisiana treasury and taking much more for himself than had originally been expected. Broadhurst, along with one other attorney who helped on the case, had originally charged the state $600,000 for their services. When Broadhurst settled with Texaco he got the oil giant to pay not only his $600,000 legal fees but also an additional $900,000 to himself and the other attorney. "Texaco had a very good defense," explained Broadhurst.

The small settlement—and big Broadhurst payment—prompted a special state legislative committee investigation in which former state Mineral Board chairman, Bill Moran, charged, "We may not have had disinterested legal counsel on this issue." Broadhurst called the accusation from Moran and others a "cheap shot. . .a lie." But according to a former government attorney involved with the case, Broadhurst agreed to settle for a fraction of the state's claim on the condition that Texaco pay him and other attorneys more. "If they didn't settle the suit [for $28 million], they wouldn't have gotten that money out of Texaco," the attorney says. "They could only get the big bucks [$1.5 million] if they agreed to that settlement. Otherwise, they would have only gotten $600,000 from the state."

Broadhurst argued that Texaco's payment of his fees saved the state money. "It was a historic example of protecting the state's interest," Broadhurst maintained. But critics charged that Tex-

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No Bull.

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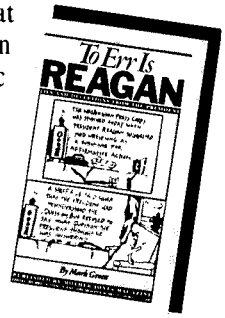

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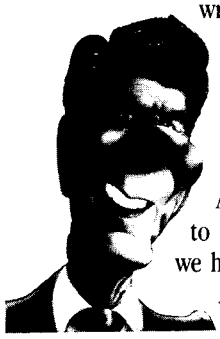

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aco's payment of $1.5 million to Broadhurst and the other counsel motivated the attorneys to serve Texaco's interests rather than those of the state of Louisiana.

Edwards's successor, Governor David Treen, fought the payment of the $900,000 bonus in court, but ongoing appeals kept the issue tied up until Edwards returned to office in 1984. Shortly after his return to the governor's mansion, Edwards ordered a halt to the state's action, allowing Gary Hart's good friend to keep the Texaco dollars. During the four years he was out of office, between 1980 and 1984, Edwards was on retainer from Texaco.

And not everyone is convinced that only $28 million could have been wrung out of Texaco's coffers. Indeed, the attorney general's office is still pursuing damages against Texaco for hundreds of millions of dollars in unpaid land royalties—a case based on virtually the same issues Broadhurst settled in 1982.

After Guste, the attorney general, filed a new claim for $387 million against Texaco in the spring of 1987, he met with Governor Edwards to discuss the litigation. According to sources involved with the meeting, Edwards asked Guste to hire Billy Broadhurst to handle the new litigation. But this time, knowledgable sources have said, Guste refused to go along. Broadhurst is not representing the state of Louisiana in the case against Texaco.

Besides the Texaco case, Broadhurst has benefited from other oil interests. Last year, the state Mineral Board, all of whose members serve at the pleasure of Governor Edwards, saved a client of the Broadhurst firm thousands of dollars less in royalty payments to the state of Louisiana through a procedure that had previously been prohibited by the board.

Initially, the board issued a routine denial of Cashco Oil's request to deduct certain transportation expenses from the company's royalty payments to the state. The board had turned down similar requests by other oil companies. But after Cashco hired Broadhurst's law firm, the board reversed itself—even though no novel arguments for the deduction were offered. Giving Cashco their deductions cost the state $127,000 immediately and $30,000 per month in subsequent payments. The chairman of the Mineral Board, Janet Boles, is the daughter of Billy Boles, who along with Broadhurst is a major stockholder in the First City Savings and Loan of Baton Rouge of which she is chairman. On the Mineral Board, she not only reversed her earlier denial of the deduction but helped persuade her colleagues to do so, too. She said of the deduction won by Cashco, "I think it is a good deal."

The lobbyist's townhouse

But even as Broadhurst was pulling off coups like the one for Cashco, and working the backwaters of Louisiana politics, he was working Washington, too. In 1985, the end of the Edwards era seemed within sight as the governor was indicted on 50 counts of racketeering and accepting $2 million in bribes. (Though aquitted, Edwards lost his subsequent reelection bid.) The same year Broadhurst began to spend more and more time with Gary Hart.

When Hart and Broadhurst met in 1984 through Ray Strother, the Louisiana native and Washington political consultant who formed Hart's media strategy during the 1984 presidential primaries, the two became very close. After his defeat that year, Hart marshalled his forces for another race—and sought to pacify a growing mob of creditors. Broadhurst was close at hand, with a brand new Washington law office staffed with former Federal Energy Regulatory Commission officials, to pursue oil and gas legal work.

He bought two townhouses near 4th and A Streets on Capitol Hill, a few blocks from Hart's residence near 6th and F, and merged them into one house that he used to entertain clients. "Billy gave the appearance of being a high roller, and Hart thought Billy would raise a lot of money for his campaign," says a Broadhurst law associate. "Billy thought the townhouse could be used to impress corporate executives, congressmen, and anyone who might generate business. He threw a lot of parties and fundraisers there," says another.

Michael Novelli, who served as Hart's chief financial adviser, told *The New York Times* that one dinner at Broadhurst's townhouse raised $15,000 for Hart. Broadhurst took a seat on Hart's national finance board, each of whose members pledged to raise at least $100,000.

A lawyer with a top Washington firm notes: "Broadhurst was trying to make himself a power here like he was a power in Louisiana. He wasn't one of the well-known major Washington lobbyists, but he was trying to get there. That was his ambition."

Hart was the key to Broadhurst's plan to become established in Washington, says a former

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member of Broadhurst's firm. "Billy determined that Hart was the coming star of the future and worked his way into the inner circle. There's a technique he uses to get close to people."

Whatever the technique was, it wasn't subtle. Broadhurst not only purchased the Capitol Hill townhouse, he rented an apartment in Denver near Hart's home and secluded himself with Hart and major contributors on retreats in Vail and at resorts in Georgia. But it wasn't all work. By 1986, Broadhurst was hosting Hart in the New Orleans Superdome, watching the Superbowl from a skybox. They took in Mardi Gras together. "It got to the point that wherever Hart was, Broadhurst was with him," says d'Hemecourt, the former Edwards aide and Hart delegate.

In the long months since Bimini, Broadhurst's Louisiana-based law firm has closed its Washington office, stripped Broadhurst of his management authority, and put him in an "of counsel position" to the firm. Law associates of Broadhurst say his extravagant Washington townhouse and entertainment and traveling expenses played a role in their decision to reorganize the firm. "You can't equate the toys with the demise of the firm," says one associate. "But if there had been enough business to cover those activities, then it might not have been a problem. But there just wasn't enough business to support it." Broadhurst has not returned repeated calls.

And Gary Hart, of course, is back, saying that he will not only bring ideas to the presidency but also what he calls the "qualities of character" to turn those ideas into programs. But he has yet to explain how he could allow Bill Broadhurst into his inner circle. And just as important, Hart has yet to explain what he and Broadhurst may be doing for each other now. □

THE WASHINGTON MONTHLY
Journalism Award

for November 1987 is presented to

Todd Oppenheimer
The Independent

Zoning is a problem for cities across the country. How do you encourage development that provides jobs without creating traffic jams? How do you attract new business while still preserving a sense of community? Todd Oppenheimer of *The Independent*, an alternative weekly in Durham, North Carolina, asked these questions. After traveling to several rapidly growing cities and interviewing developers, neighborhood activists, and municipal officials, Oppenheimer emerged with several balanced recommendations that could work for zoning commissions across the country. Among them, a "*point system*" that gives approval to developments that score best on a range of criteria, including the willingness of developers to pay "impact fees" for the construction of new parks and roads.

Greg Garland and Carl Redman
The Morning Advocate

The Louisiana Public Facilities Authority issues bonds financing everything from schools to sewers. But as Garland and Redman of *The Morning Advocate* in Baton Rouge show, the $1.35 billion the agency borrowed between December 1985 and September 1986 still sits idle. (For instance, the authority set up a $200 million insurance pool for local governments to borrow from; unfortunately, the insurance proved too expensive for any municipality to use.) But, some have benefited from the LPFA's largesse. The sale of the $1.35 billion generated $26.2 million in consulting fees. And in December 1985, the LPFA spent $1,421 on floral arrangements for its board members and other officials.

The Monthly Journalism Award is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. Nominations for any newspaper, magazine, or radio or television station in the country are welcome. The subject can be government in its federal, state, or municipal manifestation.

The award for stories published or aired in December will be announced in the March issue. Nominations for stories published or aired in January will close February 15. The winner will be announced in the April issue. Two copies of the article or broadcast text should accompany the nomination.

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Five dead, none convicted in Greensboro

You Say You Want a Revolution

by Jason DeParle

On a sweater-weather morning in November 1979, a group calling themselves the Communist Workers Party gathered in a Greensboro, North Carolina housing project for a "Death to the Klan" rally. This was not an assemblage of great interest to the housing project residents. They gazed on quizzically, a few kids in football uniforms standing by their moms, a drunk man in a fake leather jacket. But the spirits of the revolutionaries soared. As local newsmen watched, they unloaded their placards and readied their sound truck. They passed out leaflets and dragged out a Klansman in effigy. The children of the Revolutionary Youth League positioned themselves at the front of the gathering march, joined by the neighborhood kids in football jerseys. They began singing "We Shall Not Be Moved," we're told, combining the spiritual with a good pummeling of the Klan straw man: "'Just like a tree'—whap— 'standing by the wa-ter'—blam—'we shall...'"

Then the real thing arrived. "Death to the Klan," the demonstrators began to chant as they caught sight of an eight-car caravan of Klansmen and Nazis. "Shoot the niggers," yelled back a baby-faced gunman as he and the others opened fire on the interracial crowd. During the confusing clash that followed, one Klansman stood at his car trunk, nonchalantly handing out weapons while a cigarette dangled from his lip. Another wrested a two-by-two from a protestor and split open her skull. A few of the demonstrators pulled pistols from their pockets and returned the fire.

Eighty-eight seconds and 39 shots later, the neighborhood lawns were littered with dead and wounded protestors. Unharmed and unhurried, the Klansmen piled their shotguns, pistols, nunchucks, knives, and brass knuckles back in their cars and drove off. Bending over the body of her slain comrade husband, Signe Waller raised a clenched fist. "Long live the Communist Workers Party," she screamed. "Long live the working class!"

Television cameras captured the casual slaughter, and millions watched it replayed on national news. But two juries acquitted the killers, first on state murder charges and later on federal charges of civil rights violations. The events of that morning left five dead, none convicted, and many confused. Revelations of ties between the Klan and the Greensboro police caused even the skeptics of conspiracy theories to wonder if the communists were right in calling themseleves the victims of a government set up.

Elizabeth Wheaton, who covered the trials for the North Carolina *Independent*, offers a detailed account of the Greensboro killings.* Though she finds no evidence of conspiracy, she finds plenty of other disturbing things, like old-fashioned incompetence among the police. But the most interesting element of this story concerns neither cops nor killers nor the terrible injustice rendered. Most intriguing is the bizarre personal and political odysseys of the victims, from liberal idealists to raging Leninists convinced they were on the verge of tearing down the capitalist state. That journey is one that speaks to the ancient tensions between radicals and reformers and carries lessons for activists of many stripes.

What was to be done?

It was Duke University Medical School, of all places, that brought most of these future revolutionaries together. Like most of their classmates, they arrived with fistfuls of academic honors. Paul Bermanzohn, the son of Holocaust survivors, had been student body president at City College of New York. Mike Nathan, the son of a struggling widow in Washington, D.C., had

Jason DeParle is an editor of The Washington Monthly.

**Codename GREENKIL: The 1979 Greensboro Killings.* Elizabeth Wheaton. *University of Georgia Press, $24.95.*

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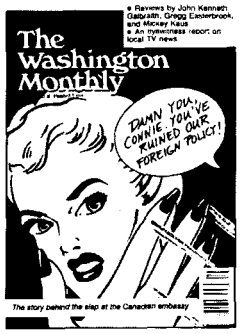

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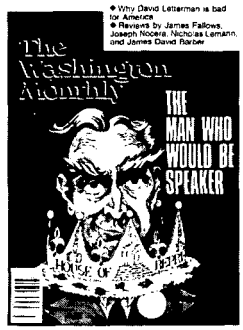

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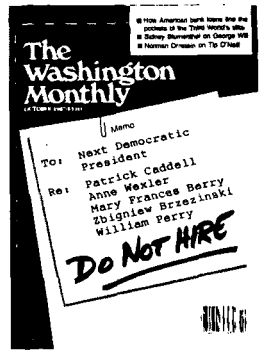

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been at Duke since his undergraduate years, scraping by on work-study wages and scholarships. Bill Sampson had Harvard Divinity School and the Sorbonne behind him. Though their class backgrounds and worldly experiences differed, they and a few others shared a zeal for social action that put them in sharp contrast to most of their classmates.

That zeal took different forms. Nathan spent much of his undergraduate career living in a rundown Durham neighborhood where he helped residents demand improved housing. He and a number of other student activists lent their support to a 1968 drive to unionize the university's service workers, most of whom were black. The drive had its militant moment when several hundred students surrounded the administration building and sent a delegation to the home of Douglas Knight, the Duke president, confronting him with their demands. Knight turned them down, and police dispersed the crowd.

Bermanzohn devoted himself to the cause of neighborhood health clinics. When officials proposed building a new Durham County General Hospital on the outskirts of town, he and other health activists charged it was being located there to benefit realtors, developers, and doctors but not the poor people who needed it most. They enlisted the help of a state health department official. "We thought he was there to help us," Bermanzohn said, ". . . he screwed us, just didn't do any of the things he said he was going to." Bermanzohn felt the betrayal deeply.

Others in this prerevolutionary band did similar work. As a group, they had at least two things in common: a deepening sense of life's unfairness and a growing frustration with their inability to change it. Their protest was dispersed. The union was defeated. The hospital was built. Nothing seemed to work. And beyond Durham, things didn't look much better. Nixon was president, Kissinger was dropping bombs on Cambodia, and a local media crank named Jesse Helms had just been elevated to the U.S. Senate. What was to be done?

Make revolution, they decided. These activists who initially took aim at Durham County General began setting their sights higher, training them on the entire capitalist state. But the intellectual and emotional mechanics of this conversion from reformers to Vanguard are never adequately explained, either by the revolutionaries or by Wheaton. ("June 1976. Everyone was talking revolution," Wheaton writes. "It was the bicentennial.") Sally Bermanzohn, Paul's wife, explains that "I kept fighting for those values of what's right for the people and coming up against brick walls. . . ." It's a statement that casts little light. She was disillusioned. But lots of activists become disillusioned, and few seek the destruction of the state. The failure to explain why these activists did is the one significant omission of Wheaton's account.

The leap from Gray's Anatomy to Mao's Red Book plunged the converts into a world of fervent polemics and the quest for the correct line of revolutionary action. For most of them, union organizing was the answer. Some, like Sampson, left medicine to work in North Carolina textile mills. Others stayed in medicine and agitated from outside the plant. All grew increasingly difficult for the noncommunist left to deal with.

When the Carolina Brown Lung Association, an occupational health group, convinced wary workers to take lung tests, one of the Vanguard physicians began haranguing them about the coming workers' state. This sent the proletariat fleeing. During a 1976 union drive at Duke, Wheaton reports, "Warring Communist groups began to leaflet Duke workers with single-spaced legal-sized diatribes criticizing each other's political line." The union lost the drive. At a textile mill, the factional rivalries led to a bloody melee between competing organizers, to the management's delight. The Vanguard became pariahs to much of the noncommunist left but "refused to see their political isolation for what it was," Wheaton writes. "They saw the [noncommunist] leftists' refusal to work with them as proof. . . [that they] were morally bankrupt."

This immersion in the workers' struggle happened to coincide with a series of right-wing antics that fueled the communists' faith and fervor. In Illinois, Frank Collins's Nazis were preparing their march on Skokie. Closer to home, a loudmouthed 23-year-old Nazi named Harold Covington popped into the papers in 1977 with runs for the Raleigh city council and the state senate. He made the latter bid during a Republican Party primary. "Scratch the surface of any Republican and you'll find a Nazi underneath," he later explained. Impressed, Collins came to North Carolina and recruited Covington's help in the Skokie march, propelling them both into the national news. Wanted by the law, Covington later fled to South Africa and disappeared.

The Klan hit the headlines too. In early 1979, a dozen or so North Carolina Klansmen donned their mildewed robes and lit a few crosses, drawing more reporters than white hegemonists but

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Photo from the *Salisbury Post*

Members of the CWP at anti-Klan rally

getting the publicity they sought. Pleased with their media success, the ragtag band of racists scheduled a Klan exhibit at a county library and held a showing of *Birth of a Nation*. Piecing it all together, the Vanguard concluded that the nation was lurching towards fascism

A month later, the concerned revolutionaries found inspiration in Alabama, where anti-Klan forces had organized "armed self-defense patrols." The North Carolina communists planned their own show of force, staging an armed "Smash the Klan" rally outside a community hall where the clan was attempting another showing of *Birth of a Nation*. Outnumbered, the humiliated Klansmen retreated into the community center as the crowd chanted, "The only solution is socialist revolution." In the weeks that followed, the Klansmen seethed and the communists grew bolder. The Leninist lesson was clear: strike again.

Organized into the new Communist Workers Party, they scheduled the Death to the Klan rally in Greensboro and dared the humiliated Klansmen to fight. Thus stood the movement for the workers' state on the morning of November 3 when the caravan of Klansmen and Nazis arrived.

Beating the rap

The murder of five people in the streets on a sunny Greensboro morning was shocking enough, but the acquittals that followed were unfathomable. The communists responded with cries of conspiracy, and the revelations that followed made their theory seem plausible.

It turned out that law enforcement officials had infiltrated both the Klan and the Nazis and had plenty of warning of the impending violence. Yet they did little to stop it. Then came word that Covington, the Nazi leader, had sent the communists a letter six weeks before the shooting, boasting that the police had approved their murder. "We had it all worked out with the cops. . ." he wrote. "We'd waste a couple of you and none of them would see anything." There were other suspicious details. The police provided the specifics of the permit, including the march's route, to a Klansman named Eddie Dawson, who was doubling as a Greensboro police informant.

But Wheaton's reporting ultimately reveals the police not as complicit schemers but as pitiful bunglers who couldn't even keep track of the

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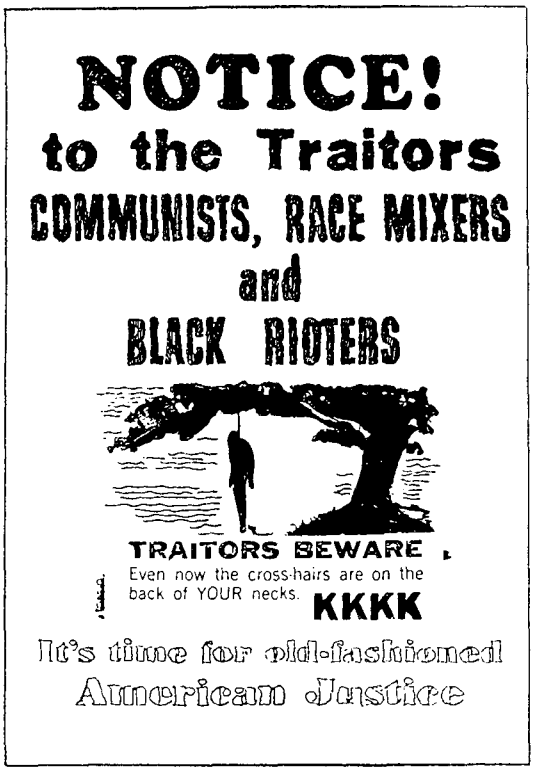

Klan warning issued before CWP rally

rally's starting time. The parade permit said noon. Notices posted in the housing project said 11:00. When the shooting began at 11:23, most of the cops assigned to cover the protest were miles away still eating lunch.

Then there was this edifying exchange in an interrogation room, between prosecutors investigating the case and an agent of the Federal Bureau of Alcohol, Tobacco, and Firearms who had infiltrated the Nazis:

"Who the fuck are you?" the prosecutor asked.

"Fuck you," the federal agent replied.

Still, conviction seemed assured. The murders took place in midday, before dozens of witnesses, and on film. The prosecutors even had virtual confessions from some of the captured Klansmen. "Niggers and Communist party, you could hardly tell who was niggers and who was Communist," said David Matthews, a Klan member. "I got three of them."

Wheaton does an impressive job of tracking the complicated legal details of the case and explaining the mechanics of the acquittal. The Klansmen got one break when the court assigned them top-notch (and liberal) attorneys who fashioned an argument around self-defense. Ironically, they got another when prosecutors pursued the death penalty. Since the law forbids death penalty opponents from sitting on such juries, prosecutors had to face a more conservative panel. In most murder trials, that works to the prosecutors' advantage. But not in this case, when the victims were communists. One of the jurors had fought against Castro at the Bay of Pigs.

The prosecutors' job didn't get any easier when the communist survivors refused to testify, denouncing the proceedings as a capitalist cover-up. "I will never remain silent while the bourgeoisie brings fascism and world war on the heads of the American people," shouted widow Marty Nathan before bailiffs taped her mouth and dragged her from the courtroom. (She left behind a vial of foul-smelling oil.) Did the communists want to lose the trial? Wheaton doesn't speculate, and the answer isn't clear. But defense attorneys could hardly have asked for more. They portrayed their clients, Wheaton says, as "good-ole-boys, who had been provoked beyond endurance and then attacked by gun-wielding communists" afraid to testify. The jury bought it.

The second tragedy

In North Carolina, where I was a Duke student at the time, many shrugged off the injustice of both the killings and the acquittals. That attitude wasn't confined to the Piedmont. When I proposed an article about it to a liberal magazine a few years later, an editor told me not to bother; the communists were courting trouble, he said. And so they were. But we shouldn't need reminders that the espousal of communist doctrine, however unappealing, doesn't merit death-by-posse in the Greensboro streets. Wheaton finds just the right image for the outrage: five dead and their killers free without so much as a fine for littering.

Still, the double injustice of murder and acquittal isn't the only tragedy of this tale. The second, more interesting and perhaps more instructive, is the tale of political dissolution among the Vanguard. After a social suicide, the relevance of these activists had died long before the Klan showed up.

The metamorphosis from reformer to revolutionary promised a grander stage—the transformation of the whole world instead of one sad corner. But it resulted instead in political undertakings of dismally minor significance. Signe Waller, who reiterated her devotion to the working class even as her husband was dying in her

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arms, carried on the struggle a year later by sneaking into the Democratic Convention and setting off firecrackers during Jimmy Carter's acceptance speech. "It had to be done," explained one fellow revolutionary widow.

What's stunning is the speed with which this group swapped its idealism for cynicism and hatred. When the world, like a difficult mistress, refused their advances, they scorned it in return. Though they spoke with disdain of their fast-track classmates who sought six-digit salaries and a convenient tee-off time, they bore a paradoxical similarity: the revolutionaries wanted it all and right away.

Never mind that their factional infighting caused them to *lose* a union election. Never mind that their revolutionary diatribes sent sick workers fleeing the clinics. In their happily alienated world, every setback offered further proof of the world's injustice and the Vanguard's patent on political correctness.

This political pathology led them to abandon the fights that mattered. They were talented physicians, with boundless energy and a rare gift for recognizing the world's uncounted people. The path of politics and medicine as they first chose it didn't promise a world transformed, but it did promise one improved. Rather than take that path, they chose to stand in the street and call Klansmen names. A crowning irony, as Wheaton points out, lies in the revolutionaries' inability to see the Klansmen as part of the same downtrodden working class whose struggle they claimed to be leading.

It's tempting to write off this political declension as the uninstructive acts of a few crazies. But there are lessons here for most social activists. Few are likely to wind up shouting Leninist slogans at Klansmen. But almost all will find themselves thwarted by a world they know to be unjust and tempted to succumb to bitterness and suspicion. In the crusade I know best and support whole-heartedly, that to abolish the death penalty, I've seen this fever take hold of frustrated leaders who begin viewing every cop, prosecutor, and prison guard as an intractable and dishonorable foe; happily, a trend that seeks to address the concerns of crime victims is gaining sway. There's a temptation for anyone with a compelling vision of the world's injustice to dismiss those who have yet to embrace it. That's why one test of any new political vision lies in its treatment of the unconverted—its ability to be both radical *and* relevant. That's a test the CWP failed. □

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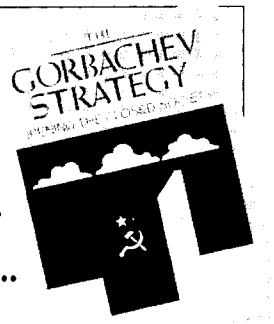

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Subject: SPECIAL LISTING OF VACANCY TO THE COUNTY SELF-ESTEEM TASK FORCE

The following task force has 15 unfilled lay-member positions as listed below. Three appointments are made by each member of the Board of Supervisors. Applications are available at all public libraries and my office. For more detailed information see below. This list is to be posted in the County Courthouse, the main library and the branch libraries and is to be released to newspapers in the Sacramento area.

COUNTY SELF-ESTEEM TASK FORCE

The purpose of this task force is to view as a key to understanding, solving and preventing major social problems; help develop programs to enhance the self-esteem of Sacramento County citizens and to report to the State Self-Esteem Task Force. Each Supervisor will appoint three laypersons to the task force, including all of the following ten categories listed in Chapter 1065 of the Statutes of 1986 as a guideline for selection: Law Enforcement; Corrections; Mental Health; Social Science; Education; Religion, Organizational Development; Psychology or Counseling; Media and Community-Based Service Organizations. Applications will be accepted from 11-23-87 to 12-4-87 and will be considered by the Board of Supervisors on 12-15-87. For further information concerning the functions of this task force, contact the Board of Supervisors' office at 440-5411.

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Why Judge Wapner is bad for America

Strict Nielsenism

by Abner J. Mikva

Judge Joseph Wapner is not a modest man. Even in the black-robe league of judges past and present, where modesty is always in short supply, the paucity of his humility is remarkable. I suppose that he can point to his daytime television audience, 20 million strong, as warrant for his absolute certainty that he is worth all the self-acclaim detailed in his recent auto-vanity.*

I have watched Judge Wapner's television show only once or twice but have been irritated far more frequently at the amount of legal disinformation that television viewers claim to have acquired from regular watching of "People's Court." It is always possible, I tell myself, that the television viewers misinterpret what Judge Wapner says (just as lawyers sometimes misinterpret what real-life judges say.) After all, the man had been a real judge before leaving for the fame and fortune of the television courtroom.

On reading the book, I realize that I have been too hard on Wapner's television audience. He does indeed have a certitude about his passions and prejudices that allows him to proclaim some very dubious rules of law when he pronounces on the cases before him, after the commercial break.

"I was not always a judge," our author tells us, perhaps to relieve us of any suspicion that he sprang fully robed from the womb of Athena. He recounts his early childhood in a middle-class neighborhood. He even acknowledges graduation from law school. But nowhere in his discussion of his formative years is there the slightest clue about the origin of some of the unjudgely notions that Judge Wapner regularly dispenses.

Judge Wapner's idiosyncratic view of criminal law is illustrated by a war tale he recounts from his real-life days in the California court system. A drifter is tried for stealing a car. Judge Wapner acclaims the jury's "not guilty" verdict. He summons the wrongfully accused to the bench and decrees: "The jury has found you not guilty. I have no further legal jurisdiction over you. This is a Friday, but I order you to stay in jail until Monday, and then I'll see about sending you back home with your head held high." This anecdote of unlawful imprisonment is used to prove Judge Wapner's generosity, because on Monday he gives the drifter some old clothing.

Judge Wapner's categories of good and evil are firm and unshakable—indeed, so unshakable that mere facts or law are often beside the point. Woe betide a defendant accused of rape in Judge Wapner's court. Forget about the presumption of innocence, the obligation of the state to prove its case, or any of the other due process folderol. "It was a foolish lawyer who argued a rape case for the defense in my court and expected to prevail," he notes proudly.

The book is chock full of other examples of reversible error, but Judge Wapner presses on. His only complaint is that Governor Jerry Brown, angered at some disagreement, refused to promote him to Appellate Judge. I have always thought Jerry Brown had some redeeming qualities.

"People's Court" ought to have a disclaimer running at the bottom of the screen telling the viewers that while the characters and the disputes may be real, the law proclaimed by former Judge Wapner frequently is not. □

**A View From The Bench.* Joseph Wapner. *Simon & Schuster, $17.95.*

Abner J. Mikva is a judge on the U.S. Court of Appeals for the District of Columbia Circuit.

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How Pittsburgh can beat Osaka

The Fourth Quarter

by Tom Peters

Fortune magazine's November 9, 1987 issue featured a controversial cover story on the Harvard Business School. But probably few of America's corporate leaders noticed a small item on page 88, a box that summarized an interview with Honda's new president, Todashi Kume.

Honda is already, by some measures, the most productive automotive company in the world. It's product development cycle, the time it takes to design and manufacture a new model (such as the Acura), is estimated to be one-third or one-fourth as long as that of its U.S. counterparts. Yet in the interview, Kume declared that his near-term objective, not a 20-year plan, was to triple the company's productivity. Moreover, he said, Honda already has the tools in place to do it.

Words like "double" and "triple" must be talked about by American management, too. Triple the training budget, double productivity, cut defects by 90 percent, reduce inventory by 90 percent, slash product development cycle times by 75 percent.

There isn't a candidate running for president who hasn't talked about competitiveness, and what America must do to *remain* the world's foremost economic power. Jack Grayson and Carla O'Dell suggest that we face a more sobering question—what do we have to do, not to lead, but to *survive* as a major economic power into the twenty-first century?*

It's a question that both have spent a great deal of time considering. In 1977 Grayson founded a think-tank called the American Productivity Center where his co-author Carla O'Dell was a senior consultant and vice-president before starting her own consulting company.

They believe that America can compete but warn that we can only do so when American businesses sense the competitive danger and act. So far most haven't. "[Only] a relatively small number of firms are making the kind of changes required," they warn. "The majority of American firms are not responding at all, doing very little, or engaging in a flurry of activity, much of it short-term cost-reductions, layoffs, slam-bang automation, and closings of inefficient operations. . . . Such efforts give the appearance of adjustment but have not changed the core way firms do business."

Unlike a lot of critics of American business, Grayson and O'Dell have given us something truly useful—a 130-page agenda of actions management can take to bolster American productivity.

They propose, for instance, a complete rethinking of the last nine decades of conventional managerial wisdom. Their agenda calls for "small operating units. . . fewer management levels, team structures. . . customer-driven schedules and procedures. . . flexible product mix. . . minimal inventories. . . faster start-ups. . . flexible equipment." To be sure, few of the ideas are spanking new. But the conciseness of their presentation and the authors' unique depth and breadth of experience at the American Productivity Center and elsewhere makes the book important. No one, to my knowledge, has had the audacity to combine such a profound analysis with a practical agenda.

The authors begin with the usual litany of statistics chronicling the American decline, from

**America's Two Minute Warning.* Jack Grayson and Carla O'Dell. *Free Press, $24.95.*

Tom Peters's latest book is Thriving on Chaos: A Handbook for a Management Revolution. *(Alfred A. Knopf).*

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plummeting real wages to stagnant productivity to staggering debt to the trade fiasco and problematic SAT scores. The compactness of their list sends one reeling with bad news. After all, these are the experts on the nuances of such statistics, and they find no good news at all. They even write off the recent up-tick in manufacturing productivity as a flash in the pan, the result of "one-time cost reduction and clearing out of inefficiencies. . . not indicators of a fundamental turn for the better."

Mahogany walls, economic decay

In one particularly eerie passage they remind us just how other countries have fallen off the pedestal of economic greatness. That's a familiar idea, of course, but they have a knack for making it truly frightening. The parallels between their decline and ours are chastening in their exactitude. For instance, the authors quote E.E. Williams, the British author of *Made in Germany*, the Victorian version of our books on ever-efficient Japanese management. Williams warned his nation in 1896 of industry's failure to heed the threat of German competitiveness: "[British managers] rely too much upon the superiority of England already acquired. . . .Their methods of conducting business in many English houses is as rigid as their own cast iron. . . .It is mainly the training of the employees and in the possession of scientific skills that Germany excels. . . .They do not know as many languages and they do not take the trouble to study the needs of their foreign customers. . . .The Germans have come to England to learn our method on the spot. [They] have been following the English step-by-step, importing their machinery and tools, engaging, when they could, the best men from the best shops, copying their methods of work and the organization of their industries."

How do we avoid the fate of England? O'Dell and Grayson's guiding premise is that the answer to our woeful national economic performance lies within the firm. Of course, "macroeconomic" variables like fiscal and monetary policy formulated in Washington are important. But the more important challenges are being faced in Detroit, Pittsburgh, Tampa, and in corporations across the country. (One fault of the book is that, with the exception of an occasional mention of Federal Express, for instance, it concentrates on big, older, mainly manufacturing firms, ignoring moderate-sized firms of the $75 million-$750 million range and the service industries. Likewise, their government agenda completely ignores the increasingly important and innovative role of the states.)

In the form of agendas, Grayson and O'Dell present a series of proposals that can stem—and reverse—the slowdown in productivity. They believe that the problem is not so much antiquated equipment (although that's important) but the human factor, which is ignored by managers and government officials alike. Their lists, while seemingly bland in the retelling—employment stability, training and continuous learning, accounting systems, symbols—are nothing less than a management world turned upside down, as is the call for "structural changes in decision-making and control, pay, and job organization design that violates the old managerial control model learned in business schools or from former bosses."

In their plea for "redefining the organization" the authors decry the tendency of American business to confine workers to "functional silos" where they have tightly regimented duties that allow them neither the creativity to be happy with their work nor the freedom to respond to crisis. Grayson's American Productivity Center has pointed to many companies that have seen their productivity shoot up by working together, not separately. In the book, they cite Goodyear's Lawton, Oklahoma plant, staffed by 164 teams of five to 27 members each called business centers, which are not only independent but have unusual responsibilities. The teams set their own goals for productivity, cost, waste, and most measures of business performance. They're overseen by four plant coordinating teams—but their overriding agenda is teamwork and flexibility. The result? Goodyear's chairman, Robert E. Mercer, boasts: "The Lawton-delivered tire cost will beat the cost of comparable tires from the lowest-cost foreign producers, meaning the Koreans who think the Japanese are lazy."

On the issue of pay, Grayson and O'Dell join the growing (but not yet successful) ranks of those urging much greater use of variable compensation: "Most American employees, blue-collar and white-collar, correctly believe there is little connection between their pay and productivity or quality. . . .A 1982 survey of Japanese workers found 93 percent believe they will benefit from improvement in their employers' performance. That is not the result of blind loyalty. Consider that in 1986 less than 0.9 percent of Americans' earnings were in the form of flexible bonuses; in Japan, it was 28 percent. . . .Flexi-

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ble compensation would give Americans a clear financial stake in productivity and quality improvement, but that is rarely the case in the United States now."

Perhaps the most compelling item on their agenda calls for American managers to put a greater emphasis on "training and continuous learning." At a time when the trade deficit is soaring, and U.S. companies are scrambling to find ways to outsmart their Asian competition, American companies are devoting fewer resources to training. Grayson and O'Dell note that the number of employees trained and the number of hours of training in the United States in 1986 were down by more than 14 percent from 1985.

"The Japanese spend *three to four times* the U.S. annual amount per employee on training....The Japanese company-based training system revolves around the concept of a flexible worker. The aim is to select and prepare employees not for one job, but at least two or possibly three, and then to continue to provide learning experiences throughout their working lives....As an order of magnitude, our estimate [is] that most firms should consider *doubling or tripling* allocations of time and money for training [emphasis added]....[Many] managers believe that training is a cost, not an investment, that it takes people away from their 'real' work...accounting theory does not put human assets on the balance sheet...the tax code does not encourage or permit capitalization of personnel acquisition development costs...many managers fear that once employees are trained they will leave for higher-paying jobs with the competition...this narrow and traditional view must change."

The authors muster the numbers with skill but they also write with an eye towards the little but telling signs of lethargy in many corporations: "We have walked into many corporate offices where we can literally feel the loss of vitality and flexibility. Not a physical decay, certainly, but an aura of stodginesss and allegiance to standard operating procedures exudes from the heavy pile carpets, the mahogany walls, and the shelves of policy manuals."

Is anyone listening?

While they devote most of their attention to reforming American firms, Grayson and O'Dell do have an agenda for those in Washington. Democrats, who are promoting some of the most protectionist legislation in two generations, should take heed of their arguments against closing markets. The Reagan administration ought to take notice of their strong arguments against currency devaluation as a way of promoting U.S. trade abroad.

And to those reformers who do understand the threat of foreign competition, they make a compelling argument against any industrial policy that puts government in the awkward position of deciding how to allocate capital. "Many of the authors and administrators of policies and laws are lawyers...and economists and other scholars who know little about actual business operations....Government cannot plan long range and cannot stay on top of rapid and continuous adjustments called for in a dynamic marketplace."

Grayson and O'Dell do see an important role for the government, especially in education. One major problem is that the United States is educating a bright elite at top universities, but not a high *average* level of citizen. "The result is a narrow pool of U.S. talent, not the deep and wide base, as there is in Japan, of skilled technicians, machine operators, supervisors, and service people who can write computer programs, follow blueprints and technical manuals, build, maintain, and troubleshoot their own equipment, interpret statistics for quality control, work well in teams, and learn as they go." In Japan, they write, the average worker can do all this because he or she has been taught, among other things, to understand graphs, charts, and statistics, and can work with some mathematical notation. In the U.S., those skills largely belong to a few engineers who are increasingly separated from daily manufacturing operations.

I will look with interest to the reception that this book receives. Will the authors, even in light of the Crash of '87, be tagged alarmists? Will their suggestions be called outrageous? I wouldn't be surprised. There's been a steady undertone to the criticism of my most recent book, *Thriving on Chaos: Handbook for a Management Revolution*—the ideas are too revolutionary, the goals too bold. (Some of those ideas are carbon copies of those found in Grayson and O'Dell's analysis. For instance, I propose a several-fold increase in training budgets.) The Grayson and O'Dell analysis, in my opinion, is fundamentally correct. My only argument is that perhaps they should have been a little less true to their football metaphor. If it had been my book, I would have titled it: *America: The Thirty-Second Warning*. □

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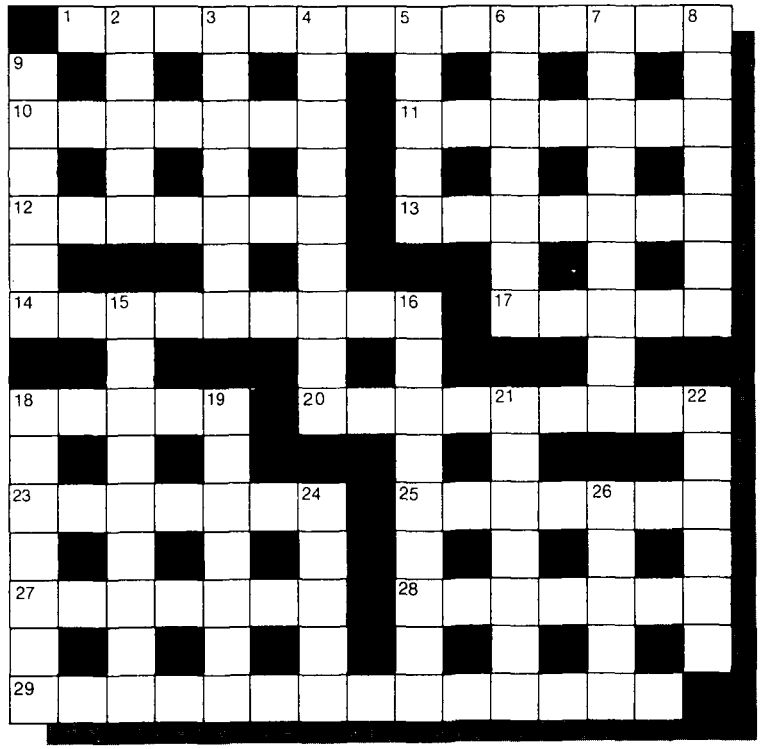
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g. USA, are treated as one word.



ACROSS

1. Incorrectly pure thing, false center of world attention. (3,7,4)
10. Failed to show a rose? (5,2)
11. Vigorously rinsed one authority. (7)
12. Scurried behind chest? (7)
13. Sprinkled charm on leader. (7)
14. Forces through radar oils indiscriminately. (9)
17. Star takes in one way up. (5)
18. Back up following sulfur smokes. (5)
20. Technical experts construct green inns. (9)
23. Having more favorable prospects make Ike curl. (7)
25. Real estate grown perversely to do harm again. (7)
27. Distributors at intersection of Elm and Main. (7)
28. Shakespearian character in scene-stealer. (7)
29. Focus of national attention disturbing a trance miracle. (7,7)

DOWN

2. Gangsters take carrying devices around circle. (5)
3. Doctor pales, confused merchant of sorts. (7)
4. Bad pirate due to deny. (9)
5. Particle forty-nine and one came back for Hector's home. (5)
6. Carelessly signs on for discoveries. (7)
7. Attempt to dunk eater clumsily. (9)
8. See dad around middle of March or longer. (7)
9. Weather line makes boars run after iodine. (6)
15. Health problem turns out fine in October. (9)
16. Stirred rum plugs a seasonal treat. (9)
18. Refutation of principles broadcast in maypole microphone. (7)
19. Hat for Zurbriggin around 2000. (7)
21. 1988 brings letter in close. (3,4)
22. Mild depression time for the most intelligent. (6)
24. Organic renewal without opposing directions. (5)
26. Nerve is difficult topic. (5)

Answers to last month's puzzle:

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City Slickers. William E. Geist. *Times Books, $19.95.* With his "About New York" column, William Geist had the best beat at *The New York Times*. While other correspondents attended City Hall briefings or followed the rise and fall of the dollar, Geist exposed puppy playgroup sessions, zoomed through Manhattan traffic with a Kamikaze messenger, and eavesdropped on pickup lines at the city's hottest spa, The Vertical Club. ("Yogurt is mucus-forming," he said softly. "My name is Sharon," she replied) Sure, Geist has his occasional conventional story, like the interview with Donald Trump, but those are the dues a reporter pays to sit in with the real powers that be—like the hat check man at Carnegie Hall.

Geist's best columns are collected here, in *City Slickers*. (He gave Chicago the treatment in *Towards a Safe and Sane Halloween* written while he was covering the suburbs for the *Chicago Tribune*.) And it's about time, too: we fans have gotten pretty sick of having his clipped columns littering our desks, memo boards, and refrigerators, not to mention the mounting costs of sending his columns to friends.

Geist understands New Yorkers, especially their pride in presenting the outrageous as commonplace. Thus, the dead bodies on a New York City public golf course elicit this offhand comment from the grounds supervisor: "I try not to be the first one on the course in the morning." He recognizes their need to make the commonplace seem extraordinary, like the story on the Emergency Expresso Squad. And he recognizes, too, that New York is often a world of little triumphs in the face of overwhelming difficulty: Mr. Gloves, an off-beat philanthropist who gives away thousands of gloves a year to the cold and homeless on the Bowery; or Bob Redman, another of the city's outsiders who has lived most of his life in treehouses constructed in Central Park, and who finally gets the job of his life, pruning trees for the Department of Conservation.

How does he do it? Like one of his subjects, the man who gets paid to stand on lines, Bill Geist is a man of infinite patience. When asked to write a column on the New York marathon, Geist abandoned the pack of reporters interviewing racers and t-shirt vendors. Instead, he headed to the La-Z-Boy Showcase Shoppe in Queens to discuss the race with people who have a different angle on running—horizontal. There he bides his time and as usual comes up with some killer quotes: the wife whose husband has "personal comfort down to a science" notes, "I honestly don't think running would be good for Ralph... people die running and dogs bite them." And Bernie Berger, a La-Z-Boy enthusiast says, "When I get the urge... I climb into one of these chairs until it passes." There's a gentle humor here. Geist can find the silliness in his subjects yet portray them sympathetically, and he can do so in a way that says much about class and culture in New York. It's hard to think of a reporter as gracious as William Geist.

Geist rivals Calvin Trillin for the crown of journalism's premiere humorist. But, alas, a brouhaha at the *Times* (don't skip the book's introduction and Geist's swipes at Abe Rosenthal) has forced Geist to leave the paper for on-camera feature pieces and commentaries on CBS. Television is not Geist's canvas—the pieces are by necessity too collaborative, and Geist's unique voice, generosity, and oddball humor don't come through. It's a loss for all of us, and especially for the *Times*. It has lost something rarely seen—or perhaps, rarely encouraged—on its fact-filled, reporter-driven pages: a gifted stylist.

—*Judith Newman*

Politics and Vision: The ADA and American Liberalism, 1947 - 1985. Steven M. Gillon. *Oxford University Press, $24.95.* Why should anyone give two hoots about Americans for Democratic Action? If current relevancy is the test, the

"Must reading for those who wish to excel."
—The Honorable Griffin B. Bell*

The Politics of Public Management

Philip B. Heymann

In a fascinating and instructive book Philip B. Heymann draws on his own experience in government and on the successes and failures of such prominent officials as Caspar Weinberger, Anne Burford Gorsuch, and Edwin Meese in order to explore the political context of high-level government management.

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book is going to be a very tough sell indeed. That would be a pity because Steven Gillon has produced a solid, unpretentious account of ADA's first 40 years that has significance beyond the organization. More broadly, this book—as the subtitle indicates—provides an instructive look into the postwar crisis of American liberalism. In fact, one could plausibly argue that the tensions—at first creative and later destructive—that defined the fate of liberal aspirations are generic to American political movements and therefore equally important in understanding events on the conservative side of the ideological aisle.

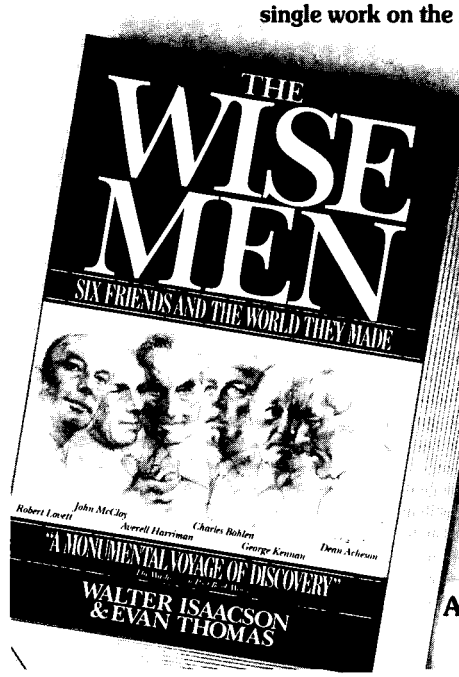
The particular struggle that haunted ADA from its earliest moments was between forces that wanted to create an American version of the Fabian Society as a politically unadulterated, visionary keeper-of-the-faith and pragmatists who sought to preserve ADA's influence through accommodation with the centers of real political power. From its inception through the early 1960s, ADA helped keep those forces in harness and exerted a political influence out of all proportion to its puny membership roll. The consensus, which was shattered by a generational struggle, was probably inevitable but it happened to collide with the civil rights movement and Vietnam.

It was a real train wreck and jolly good fun for conservatives. Although Gillon does not carry his argument to this point, liberals may have the next laugh—not the last if one believes in political cycles and alternating periods of right-left ascendancy. Thus, when Howard Phillips christened Ronald Reagan a "useful idiot" for communist propaganda, it surely signalled the breakup of the marriage of conservative pragmatists and right-wing zealots over fundamental issues of political morality and survival in the post-Reagan years.

The challenge of communism has been a common denominator in the current fratricide on the right and in the birth of ADA out of a postwar liberal schism over the Soviet Union and its domestic sym-

"A brilliant book...

comes close to being the most revealing single work on the American postwar period ...a joy to read."
—Harrison Salisbury



Before "the Best and the Brightest," came the Wise Men—six men who personified the Establishment: Robert Lovett, John J. McCloy, Jr., Averell Harriman, Charles Bohlen, George Kennan, and Dean Acheson. They determined American foreign policy for four decades, and today we live in the world they made. "A monumental voyage of discovery."
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C. Vann Woodward, Southerner

John Herbert Roper

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pathizers. ADA became the vehicle for liberals pledged to a continuation of the New Deal at home and antagonism to Stalinist expansionism abroad. Hubert Humphrey, Eleanor Roosevelt, Arthur Schlesinger Jr., Reinhold Niebuhr, Joseph Rauh, Walter Reuther, and, yes, Ronald Reagan all helped give substance to ADA when the organization was important enough to be denounced with passion by the likes of Joseph McCarthy and Richard Nixon. By 1968, Humphrey had become a pariah within ADA due to a firestorm over the morality of Lyndon Johnson's war policies. The ferment on the left provided fertile soil for the flowering of American conservatism.

For American liberals there remains, as Gillon observes, the unresolved conflict over the politics of vision, animated by a commitment to a just society and a desire to propose politically workable solutions. Time is short—a matter of months in an election year—and if liberals blow the opportunity offered by conservative dissension, they could be in for another long wait. Faced with the task of balancing principle and power, Gillon writes, "Liberals must confront the travail of redefinition."

—*Finlay Lewis*

Heroes of Their Own Lives: The Politics and History of Family Violence, Boston 1880-1960. Linda Gordon. *Viking, $24.95.* Last November, the country was shocked to learn of the death of seven-year-old Lisa Steinberg in New York City—police evidence indicated that her death resulted from beatings by one or both of her adoptive parents. The most distressing aspect of her story, of course, is that home is not the proverbial calm harbor. Adding to the shock over the Steinberg case was the fact that the family was part of New York's upper middle-class, a segment of society believed to be civilized and kind.

Americans tend to think that domestic violence is an isolated, recent horror. In fact, battering, child neglect, abuse, and incest (the four types of domestic violence as defined by Gordon) are ancient problems, and the United States began actively trying to control them 100 years ago. Gordon traces the history of family violence and society's response to it through case studies taken by Boston's child protection agencies from 1880 to 1960.

Gordon doesn't just recount poignant family histories. She shows how the four types of crimes are often linked and simultaneous, particularly wife-beating and incest. She also contends that social currents reflected and shaped standards of family behavior by creating narrowed emphases for agency workers, sometimes to the detriment of the very families they were trying to aid.

For instance, around the turn of the century, when feminists decried "drunkenness" and believed that brutality was inherent in men, social workers, who then were mostly affluent do-gooders, focused on the father or husband, often naively blaming everything on the influence of liquor. Following World War II, fascination with the science of psychiatry often resulted in workers making diagnoses that dismissed women in abusive relationships as masochistic or the stories of incest victims as fantasies growing from their neuroses.

Gordon is a professor of history at the University of Wisconsin-Madison. Her narrative is scholarly, thick with professional research, and not for those uninformed about the basics of family violence. It is, however, fascinating reading for historians of social work and feminism and for those interested in patterns of socialization. There are also tidbits about the evolution of well-known phrases, such as "dirty old man," which referred to a sexual assailant, often a shop keeper, who would bribe his poorer employees with candy. His victims were not tempting or even pubescent. Their average age was 10 years old.

Perhaps the most important message in Gordon's book is that family violence cannot be dismissed as one family's sickness: it is, instead, she says, a result of "normal

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patterns of parental and male domination reflected in a distorting mirror." She believes that family violence is a social problem: "Its causes and solutions have been beyond the means of individuals alone."

She argues that agency procedures often forced victims back into their situations. Because incest victims were subjected to pelvic examinations to prove their allegations and were often taken from their families and placed in foster care situations, many preferred to remain silent. Gordon also believes part of the reason many women and children stayed in abusive homes was a lack of adequate support programs for single, working mothers.

Of spouse abuse, Gordon writes: "One assault does not make a battered woman; she becomes that because of her socially determined inability to resist or escape: her lack of economic independence, law enforcement services, and, quite likely, self-confidence. Battered behavior is also socially determined by a husband's expectations of what a woman should do for him and his acculturation to violence. Wife-beating arose not just from subordination but also from contesting it. Wife-beating sends 'messages' to all who know about it or suspect it: it encourages timidity, fatalism, manipulativeness in women."

Gordon's book shows how cultural attitudes, "everyday structures of society," and governmental policies can inflame "human foibles." As such, her book is excellent cautionary reading for policymakers entrusted with making the American home safe.

—Laura Elliot

A Chilling Effect. Lois Forer. *Norton, $18.95.* The world portrayed by Judge Forer will be familiar to the reporters, authors, professors, and lawyers who make up the free speech lobby. Because these afficionados find it congenial to think that the First Amendment is under ferocious attack by the forces of darkness, they may even find her description believable.

According to Forer, we live in a world where private censors relentlessly cut off access to ideas. Citizens pressure schools about book selection. Consumers boycott products advertised on controversial TV shows. Generals sue over criticisms of their leadership during wars. Preachers sue over cartoon parodies in raunchy magazines. Disappointed professors sue over their colleagues' assessment of their scholarship. Everywhere thin-skinned, humorless, avaricious people are suing. The United States teeters on the brink of becoming "an enormous silent gulag patrolled not by government agents but by private persons. . . ." This, Judge Forer adds, "is not an imaginary fancy."

It's not? As a description of a country where judges have long made a fetish of protecting freedom of speech and where an unprecedented amount and variety of information is available to all, it is balderdash. But read the book anyway. Somehow, Judge Forer, starting from a grossly distorted description, ends up with a sensible prescription.

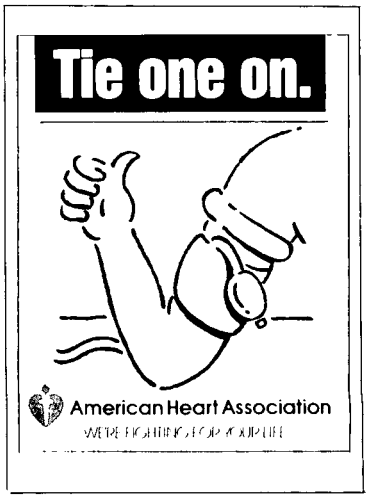
Forer's approach is unusual in that she does not distrust juries or the general public, and she does not propose excluding them from free speech issues. On the other hand, she does think that the role of the Supreme Court should be greatly restricted. Even its best efforts have led only to a hopeless profusion of arcane legal distinctions that produce uncertainty and invite the kind of litigation that chills speech.

Instead, she proposes a new federal statute incorporating a host of specific, commonsensical solutions. Some are aimed at encouraging private methods of prevention or correction. These include apologies, retractions, disclaimers, labeling, and even courtesy. Others are aimed at bringing the law of libel and privacy more into line with other areas of law, like trade disparagement, that are less glorified but seem to work better. She would, in effect, deromanticize libel law, substituting precise statutory definitions for confused judicial doctrine. Damages would be limited to actual harms and would be recoverable without regard to the writer's state of mind. Recovery would generally be easier but would be permitted for a more limited range of statements. Predictability and speed having been restored to the judicial process, authors would have less to fear and more to write.

Not everyone will agree with all of the solutions proposed. Perhaps, for example, a variety of solutions might be more practical than a single national statute (which Judge Forer would justify—good grief!—as a regulation of interstate commerce). Even her general strategy of reducing timidity by reducing uncertainty is in many respects doubtful. Forer suggests, for instance, that defamation be defined as "a statement that taken as a whole makes a verifiably false charge that the subject committed a specific criminal or other degrading act." Lawyers can find much to litigate about here. How much is "taken as a whole?" How certain must verification be? What is a "degrading act?" Off we go again.

Nevertheless, by proposing that these problems be resolved tentatively through the political process, the book takes a large step in the right direction. When we are able to assess threats to our civil liberties as clear-headedly as Forer wants us to discuss solutions, we will be getting somewhere.

—Robert Nagel



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